FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 237 *7 December 1984*

BOLIVIA

Interior Minister on Siles' Health, Coup Rumors C 1
Armed Forces Support for Democracy Reiterated C 1
Congress Approves Law for 1985 Elections C 1

BRAZIL

Congress Receives Nuclear Agreement With PRC D 1
[O ESTADO DE SAO PAULO 5 Dec]
Poisonous Methyl Gas Held at Port in Rio D 1

CHILE

Pinochet on Presence of Marxists in Universities E 1
Scores Terrorism E 1
Says Measures Will Continue E 2
Minister Cuadra Views State of Siege Measures E 2
Government 'Knows Nothing' of Church-Related Poll E 3
Opposition Calls for Mobilization on 10 Dec E 4
IAPA Urges Government Guarantee of Press Freedom E 4
Defense Minister Denies Yielding Island to UK E 5
Bill To End Intervention of Banks in 5 Years E 5
[EL MERCURIO 5 Dec]

COLOMBIA

M-19 Leader Views Cease-Fire, National Dialogue F 1
[Madrid EL PAIS 29 Nov]
M-19 Proclaims Ospina Presidential Candidate F 2
[EL SIGLO 2 Dec]
FARC Accuses Military of Undermining Cease-Fire F 2
[El SIGLO 1 Dec]

PARAGUAY

Radio Nanduti Director on Ban, Possible Closure [SENDERO 6 Dec] H 1
Bookshop Raided for Subversive Literature [HOY 5 Dec] H 2
Peasants Begin Hunger Strike To Demand Freedom H 3
Briefs: Yearly Inflation Estimate; 1985 Budget Approved H 3

MEXICO

Colombian President Concludes Official Visit M 1
Commended by De la Madrid M 1
Speaks at Welcoming Ceremony M 1
Calls For Area Integration M 2
Comments on Contadora M 2
Meets M-19 Leader M 3
Joint Communique Issued M 3
Betancur Departs M 4

Text of Communique on Nicaragua's Ramirez Visit M 4
Labastida Discusses Oil Market, Departs on Tour M 4
Foreign Secretary on Relations, Trade With EC M 5
Agreements Announced With France, Argentina M 5

PANAMA

Cocina Holds FDN Responsible for Attacks [LA PRENSA 4 Dec] N 1
PNP Clarifies Position on Party Reinstatement [YA 4 Dec] N 1
Soviet Delegation Press Conference Canceled N 2
UNADE Supports Replacing Law 46, Modernization N 2
[LA REPUBLICA DOMINICAL 2 Dec]

CENTRAL AMERICA

COSTA RICA

Guatemala's Mejia Arrives for 3-Day Visit P 1
Meets With Monge P 2

EL SALVADOR

President Duarte Leaves for Miami CBI Meeting P 3
FMLN's Oquell, Samayoa Discuss Peace Proposal P 3
FMLN-FDR Seeks To Have La Palma Demilitarized P 4
[Radio Farabundo Marti]
FMLN Travel Ban in East To Last Until 7 Dec P 5
[Radio Venceremos]
FMLN Destroys Another Coffee Processing Plant P 5
[Radio Venceremos]

HONDURAS

Finance Secretary on Talks With U.S. Officials P 6
Commentary Supports Talks P 7

NICARAGUA

Ortega Sets Up Ethnic Autonomy Study Commission P 8
Nunez Addresses Final State Council Session P 9
Potable Water Levels Run Low for Managua Area P 10
Misura Opposes Sandinist-U.S. Talks at Manzanillo [ACAN] P 11

CUBA

Castro Speaks in Havana at First Energy Forum Q 1
Three Cooperation Documents Signed With Zambia Q 26
Almeida Addresses Moa Workers Celebration Q 26
'Our America' on U.S. Intentions in Nicaragua Q 26
Del Valle Begins Week-Long Visit to Berlin [cross-reference] Q 27

CARIBBEAN

BAHAMAS

Pindling Presents Budget, Unveils Tax Increases S 1
[THE TRIBUNE 28 Nov]

GRENADA

Blaize Rejects Accusations of Electoral Fraud S 2

OTHER COUNTRIES

PERU

Final Stand in Air Conflict With U.S. Awaited V 1

VENEZUELA

Lusinchi Discusses U.S. Ties at White House V 1

INTERIOR MINISTER ON SILES' HEALTH, COUP RUMORS

PY061425 Paris AFP in Spanish 0127 GMT 6 Dec 84

[Text] La Paz, 6 Dec (AFP) -- Interior Minister Federico Alvarez Plata said here today that President Hernan Siles Zuazo's government kept calm and exercised prudence when it was put under strong pressure by the social and union sectors during the general strike of the Bolivian Labor Federation (COB), which has now been lifted.

Alvarez Plata reported that even though the president did not report to his Government House office, he took care of state affairs from his residence. The minister also said that the president's health is gradually improving. It should be recalled that Siles failed to report to Government House for the 8th consecutive day because of an ailment affecting his sciatic nerve and hip.

The interior minister said that the government wants to comply with the measures and decisions agreed upon between the executive branch and the COB, particularly those on price controls and supplies to the marketplace, for which officials from several agencies have been mobilized. Asked about rumors of coup preparations and attempts to destabilize the regime, he said that even though there are always those who want to disrupt the democratic order, tranquillity prevails throughout the country in all social and institutional sectors.

In conclusion, he said that the request for information that Army Commander General Jose Olvis Arias has sent to unit commanders is part of routine military matters.

ARMED FORCES SUPPORT FOR DEMOCRACY REITERATED

PY070115 La Paz Radio Illimani Network in Spanish 0000 GMT 7 Dec 84

[Text] The commander of the Bolivian Armed Forces, General Simon Sejas Tordoya, said today that there are no divisions within the Armed Forces. In this regard, Gen Sejas Tordoya pointed out that the military institutions have been faithful supporters of the national Constitution since the democratic process was installed in Bolivia. He also indicated that the Armed Forces guarantee the continuity of the democratic process established in the country on 10 October 1982.

Army Commander General Jose Olvis Arias reaffirmed General Sejas Tordoya's remarks by emphatically pointing out that there are not and there have not been disagreements in the Armed Forces.

In conclusion, the two military chiefs pointed out that the instructions issued by the Army Command to garrisons around the country to make an evaluation of the national situation is a routine and normal procedure carried out within the military institutions.

CONGRESS APPROVES LAW FOR 1985 ELECTIONS

PY061415 La Paz Radio Illimani Network in Spanish 1100 GMT 6 Dec 84

[Text] The National Congress has approved the law to hold general elections for president, vice president, senators, and deputies, and municipal elections on 16 June 1985. The provisional article of this law sets forth that the law regulating the municipal elections and establishing a mechanism of control for those elections, and the organic law of municipalities must be approved by Congress before 16 February 1985. Meanwhile, a bill allowing the vice president of the Republic to run in the next elections has been submitted to the Chamber of Deputies.

CONGRESS RECEIVES NUCLEAR AGREEMENT WITH PRC

PY061547 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Dec 84 p 27

[Text] On 4 December, President Joao Figueiredo sent to Congress the text of the cooperation agreement between the Governments of Brazil and the PRC regarding the peaceful uses of nuclear energy that was signed in Beijing on 11 October 1984. The agreement provides for cooperation in the areas of research, construction of nuclear plants and research reactors, manufacture of fuel elements, nuclear safety, and production and application of radioisotopes.

As said in the explanatory note attached to the text of the agreement and signed by Foreign Minister Ramiro Saraiva Guerreiro, this cooperation will basically consist of the exchange of scientists and technicians, information and documentation, the holding of seminars, and the provision of consultant and technical services. The note further stresses the similarity of the two countries in the matter of energy, with their hydroelectric potential partly lying at great distances from the large consumption centers. Due to this situation, the countries need nuclear energy. The cooperation here can be of a supplementary nature, since the PRC already has a nuclear program dating back to 1960. The program, however, did not foresee the construction of electricity generating nuclear plants which are being planned today. By contrast, the PRC already has 10 small- and medium-sized research reactors, some of them quite sophisticated.

It also recalls that the Brazilian nuclear program was launched in the 1930's but actually implemented in the 1970's, with objectives similar to those of the Chinese program: self-sufficiency in nuclear technology and international cooperation as a means to pursue that self-sufficiency.

The two programs can complement one another, because each one has had a different process of development: Brazil has gained greater experience and has absorbed a degree of nuclear technology in its nuclear industry, a sector that is less developed in the PRC which has developed more basic research and has attained full control of the nuclear fuel cycle.

In addition to the technical, economic, and commercial aspects of the agreement, the note mentions the political aspect by saying that "the importance of the PRC in the context of world politics, particularly in Asia, and Brazil's relevance in the Latin American context and among Third World countries in general, lend special significance to the nuclear agreement signed."

POISONOUS METHYL GAS HELD AT PORT IN RIO

PY070226 Madrid EFE in Spanish 2354 GMT 6 Dec 84

[Text] Rio de Janeiro, 6 Dec (EFE) -- Brazilian environmental authorities today forbade the entrance into the country of 13,600 kg of the poisonous methyl isocyanate gas that killed about 2,000 persons in India. This shipment, coming from the United States, arrived in the Rio de Janeiro Port on board a ship belonging to the Netumar Company, inside 68 sealed cans in containers.

Concerned by the tragedy which took place in India, Brazilian environmental, port, and sanitation authorities are currently meeting to discuss what will be done with the poisonous gas.

The 13 tons of methyl isocyanate gas, which was manufactured by the Union Carbide Corporation in the United States, were bought by the Sao Paulo Company Helanco Quimica S.A., which is located in the city of Resende in Rio de Janeiro State.

Paulo Figueiredo, president of this U.S. Company in Brazil, today assured the press that the poisonous gas is not manufactured or stored in Brazil, but it is only used as a raw material for the manufacturing of insecticides.

PINOCHET ON PRESENCE OF MARXISTS IN UNIVERSITIES

PY061520 Santiago Domestic Service in Spanish 1000 GMT 6 Dec 84

[Report from Puerto Montt by Daniel Ortiz]

[Excerpts] The presence of President Pinochet in the 10th Region, which marks the beginning of a 5-day tour which will also include the 12th Region, has created an atmosphere of true happiness and support. During the meeting of Pinochet with the youth sectors, the regional youth secretary, Javier Hernandez, was the first to speak. Later, and accompanied by lengthy applause, President Pinochet addressed the youth. He said that in 1973, Chile started to break away from the Soviet ties which had been created by poor government and politicking. He then went on to mention that he had been the target of thousands of insults.

[Begin Pinochet recording] Fortunately, fate has placed me at the head of this government, and has allowed me to see clearly a lot of things that one usually ignores. It was necessary to get to know the youth, and it was also necessary for the youth to realize that I was not struggling for my own benefit, that I was struggling for you. I have been the target of thousands of insults, I have been the target of as much vicious international propaganda as a man can endure. But I want to tell you something, my dear friends: I have my faith, I gain strength from weariness, and I struggle for Chile and for you. [lengthy applause] [end recording]

The president also stressed that the Marxists, who are skillfull with dialectics, distort and twist everything. They say: We are going to continue forward and reach the government through violence. There are perennial students at the universities who, following the Marxist school, seek to mingle with the youth, moving all the time from one university to another.

The head of state ended his speech by recalling that a peace treaty was signed with Argentina a few days ago, thus marking a new step in the mediation process. Pinochet added that we have avoided a conflict and we are going to remain united in South America. Above all, however, I want to point out that every time I have made a decision I have done so thinking of Chile's future, and you, my friends, are the country's future.

Scores Terrorism

PY062220 Paris AFP in Spanish 2007 GMT 6 Dec 84

[Text] Puerto Montt, Chile, 6 Dec (AFP) -- President Augusto Pinochet today said that there were 1,800 terrorist attacks in the 2 months before the state of siege was implemented on 6 November 1984. Speaking in the city of Puerto Montt, 1,100 km south of Santiago, the head of state justified the restrictions, which also include a nightly curfew and press censorship, and he said that they will remain in force until the situation returns to normal. In the 2-month period before we enacted the restrictive measures, there were 170 attacks, which increased the number of attacks to 1,800, Pinochet said, when recalling the reasons that led him to implement the state of siege.

The subversive actions, which cost the lives of six policemen and one marine have escalated during the past year with numerous acts of sabotage and bombings for which the proscribed Movement of the Revolutionary Left (MIR) and the clandestine Manuel Rodriguez Patriotic Front, which the government considers to be the armed branch of the Communist Party, claimed responsibility. The military government 30 days ago closed down 6 opposition periodicals and prohibited the press from highlighting terrorist activities and disseminating news that could affect the nation's public order and security.

In his speech in Puerto Montt, where he started a tour of southern Chile, Pinochet maintained that the political opening that the government accepted in 1983 at the behest of the Catholic Church, was not appropriately taken advantage of by the opposition political parties, which go from the republican and liberal right to the Christian and Marxist left. In other words, he said, the opening served to open our eyes to the fact that the enemy, Marxism, is alive and operating. For the time being we have adopted measures and have taken a new line, he added, referring to the military and police operations that took place in several districts and in which hundreds of criminals and subversives were detained, according to official reports. Of those who were detained, 654 have been banished to several villages in northern and southern Chile, where they must stay for 3 months, according to those same reports.

Says Measures Will Continue

PY070155 Buenos Aires TELAM in Spanish 2052 GMT 6 Dec 84

[Excerpts] Santiago, Chile, 6 Dec (TELAM-ANSA) -- One month after the enforcement of the state of siege, President Augusto Pinochet (today expressed his satisfaction over the decrease in terrorist attacks. The president said: "People asked me to act with a strong hand, and I did." He also warned that repressive measures will continue to be enforced to avoid the destruction of democracy. The military regime enforced the state of siege on 6 November for the maximum period of 3 months as established by the Constitution. But this term may be extended. After one-third of this period has passed, the Chilean president noted that by acting with a strong hand against opposition members, and indirectly against all Chileans, and by banishing common criminals, he had returned the nation to normalcy. Pinochet added: But now the security measures have changed the situation. I want to remind you that during the political opening process the average rate of terrorist attacks per month increased from 176 to 1,800. At that time we realized that the enemy, Marxism, was perfectly alive. We had to take measures and these measures will continue to be enforced until things return to normal. There will be no changes for the time being.

Pinochet's statement did not cause any surprise among the opposition since it is obvious that, in view of the results obtained through the strengthening of measures and the enforcement of severe repression methods, the government will not voluntarily allow the return of the political opening process which allowed groups to expose the excesses committed by the regime, mainly ideological repression. In this regard, it was noted that the opposition is presently communicating with its members by word of mouth, or through pamphlets secretly distributed through the towns, or through communiques that are submitted to the newspapers but never published. However, in view of this, and in view of the statements made today by Pinochet, the Democratic Alliance, a coalition of non-Marxist opposition parties, immediately decided to expedite its social mobilization process by calling on all opposition sectors to act unitedly in this regard. Moreover, Marxist parties united in the Popular Democratic Movement [MDP] have reasserted their call for the holding of a day of protest which will be held on 12 December with the objective of weakening the Pinochet regime. The MDP expects all democratic forces, independent sectors and Christian people [as received] to adhere to this day of protest.

MINISTER CUADRA VIEWS STATE OF SIEGE MEASURES

PY061732 Santiago Domestic Service in Spanish 0000 GMT 6 Dec 84

[Text] Minister Secretary of Government Francisco Cuadra has reported that following the instructions given by the president before leaving for a new tour of southern Chile, no changes have been made in the constitutional measures taken in view of the state of siege.

President Pinochet held a meeting with some ministers and high-ranking officials in charge of safeguarding internal security and order. When Minister Cuadra was asked whether anything special could be expected this weekend, he answered there is always a possibility. He stated, however, that the atmosphere during the past few hours have allowed the reduction of the curfew and its suspension in the early morning hours of Sunday, 9 November. Moreover, he added, it is hoped that the citizenry will continue to behave with its customary sense of order and moderation.

Regarding the meeting which the head of state held with some ministers and security chiefs, Cuadra said that so far no talks have been held regarding the measures that could be taken, in view of the orders given by the head of state. However, it is quite likely that the (?appropriate) authorities will take some steps in this regard.

Cuadra added that the restrictive measures on the media continue in force, and that the government has not even thought about the possibility of lifting or modifying them. He also stated that foreign press agencies and correspondents are not exempted from these measures. There are no privileges for anyone; everybody is affected by the same laws that rule the Chilean citizens. Cuadra added that in view of the state of siege, all legal and administrative measures currently in force are of a general nature, so foreign correspondents and press agencies are not exempted from them.

The secretary of state disclosed that foreign correspondents have been informed that the credentials of some journalists will be revised. He also said that the press agencies have been informed that the government is carefully watching the contents of reports being sent abroad for information which the government authorities deem erroneous.

Regarding the case of the UPI journalist who was expelled from Chile for disseminating false information, Cuadra said that the government is awaiting more information on this incident from the press agency in order to begin studying the case.

Minister Cuadra also said that the church has not been muzzled. He explained that measures have been adopted in keeping with the constitutional laws that restrict or suspend freedom of information or opinion. These measures are of a general nature within the country and not directed against particular persons or institutions. He added that restrictions or suspensions have only been imposed on cases that fall under Decree No 1,217, but this does not mean that the church, as such, has been muzzled. Minister Cuadra explained that the government's policy regarding the Catholic Church, as well as any other religious faith, is one of deep respect. However, if members of the church issue political statements, they must abide by the laws currently in force.

When he was asked whether there were any new incidents, Minister Cuadra said that there had been a few minor explosions. Regarding the number of students banished, he said that it is not very large.

GOVERNMENT 'KNOWS NOTHING' OF CHURCH-RELATED POLL

PY061756 Santiago Domestic Service in Spanish 1630 GMT 6 Dec 84

[Excerpt] Government Assistant Secretary General Colonel Carlos Krumm said that the government knows nothing about a poll related to the church, and that none of its agencies has requested that anything similar be carried out. It should be recalled that the Santiago Archbishopric had denounced that a poll related to church activities was being carried out in Santiago. Col Krums stated that the government has no information about the matter.

OPPOSITION CALLS FOR MOBILIZATION ON 10 DEC

PY070120 Buenos Aires Domestic Service in Spanish 2300 GMT 6 Dec 84

["Special" report by unidentified Chilean source]

[Excerpt] The opposition forces have once again called for a day of mobilization that is to take place this coming Monday, 10 December. The Union Coordination Board and special and popular human rights organizations have called for a day of mobilization for Monday, 10 December, to commemorate the international day of human rights under the slogan: The people are fighting against repression and for human rights.

The program includes centralized mobilizations and mobilizations by district at 1300. The order of the day encourages the participants to avoid being detained. There will be a main rally at 1900 at a place yet to be named and the people will be informed by word of mouth. The organizers then call for what they have termed as Chile's grand wake at 2100, which consists of, as is known, lighting candles in the streets, on the sidewalks, on windowsills, and in doorways, in order to recognize those who have been banished, the unemployed, and the hungry of our country.

In this respect, the National Command for Protest and Democracy, which includes all the democratic forces and the main labor and social organizations of the country, has reported that within the next few days it will inform the country about the mobilization plan for facing the dramatic times that the country is experiencing. This command has also stated that it fully supports the call that has been made for 10 December, when international human rights day is commemorated.

The Socialist Bloc's National Council has made a call to the people asking them to keep up the social mobilization and to support and encourage all the interests of the grass-roots. It has also called for all types of individual action, stated that there should be no support for any type of measure that will cause splits in the principal political and social organizations, and has called for the defeat of the state of siege.

Finally, the Popular Democratic Movement has urged the Armed Forces and forces of order to meditate about their attitude and has encouraged them not to become an obstacle for a return of democracy in Chile. The Popular Democratic Movement and the Socialists also support the call for a day of mobilization on 10 December.

From Santiago, Chile, a special report for Radio Nacional, Buenos Aires.

IAPA URGES GOVERNMENT GUARANTEE OF PRESS FREEDOM

PY070055 Madrid EFE in Spanish 2111 GMT 6 Dec 84

[By Albino Mallo]

[Excerpt] Santiago, Chile 6 Dec (EFE) -- The Inter-American Press Association (IAPA) reasserted today to the Chilean Government that it should guarantee freedom of the press in the country. Argentine Raul Kraislburg, chairman of the IAPA Freedom of Expression Committee, said in Santiago that these requests to the Chilean Government to guarantee freedom of the press were included in a message that IAPA submitted to Chilean President Augusto Pinochet. Kraislburg noted that these requests were again submitted during the trip that IAPA representatives made to Santiago.

The IAPA requests encompass the repeal of a constitutional article that establishes that the publications of all new newspapers must be previously authorized; the guarantee of freedom of the press; complete freedom of action of foreign correspondents; and economic aid for those enterprises that are experiencing economic problems.

The Argentine journalist, who is the owner-publisher of the newspaper EL DIA in La Plata, noted that crimes cannot be charged to the press but to those who commit them, the facts of which the press reports, and that those people should be tried before a common court.

DEFENSE MINISTER DENIES YIELDING ISLAND TO UK

PY061410 Santiago Domestic Service in Spanish 1000 GMT 6 Dec 84

[Excerpt] Defense Minister Vice Admiral Patricio Carvajal has emphatically denied that Diego Ramirez Island will become a British base. The minister thus denied statements by Argentine Admiral Isaac Rojas, who asserted in Argentina that Chile will reportedly yield the island to Great Britain, which will install radar equipment there. Minister Carvajal stated that this is completely false. They are just pretensions, statements probably made with the intention of trying to make a lie appear as truth, because we are not concealing anything.

BILL TO END INTERVENTION OF BANKS IN 5 YEARS

PY061915 Santiago EL MERCURIO in Spanish 5 Dec 84 p A 1, 12

[Excerpts] On 4 December the government approved a bill that normalizes the situation of the financial institutions that have been under intervention by the Superintendency of Banks and Financial Institutions since 13 January 1983.

The bill provides for the institutions under intervention to be returned to the private sector in a 5-year period through the transfer of the shares purchased by the Treasury in annual installments that should not be less than 20 percent of the total amount. The temporary capitalization of the state should not exceed 49 percent of the subscribed capital of each institution. The Treasury will be entitled to buy all or part of the credits that the Central Bank has granted to the intervened institutions, which are the Bank of Chile, the Bank of Concepcion, the Bank of Santiago, the International Bank, and the Colocadora Nacional de Valores.

The law, to be promulgated this month according to a statement made by Finance Minister Luis Escobar Cerda on 4 December upon the conclusion of a government junta meeting, establishes a mechanism for what has been called the "people's capitalism." The mechanism gives small investors access to bank shares.

The law that solves the situation of the intervened institutions will be supplemented in early 1985 by a new general banking bill. The finance minister announced that the bill is practically ready. "We are waiting for some comments from the Bank Association. We expect to submit to the government junta a new bill on banks and financial institutions that will supplement and establish the operational rules," he said. The finance minister added that the bill that normalizes the situation of the intervened institutions establishes specific mechanisms to prevent the accumulation of shares in the hands of a few investors. This will be avoided by assigning maximum percentages to each investor.

M-19 LEADER VIEWS CEASE-FIRE, NATIONAL DIALOGUE

PM061429 Madrid EL PAIS in Spanish 29 Nov 84 p 5

["A.C." report: "Colombian 19 April Movement Guarantees Not To Break Cease-Fire"]

[Text] Madrid -- Ivan Marino Ospina, the top leader of Colombia's 19 April Movement (M-19), gave assurances in Madrid yesterday that his organization "has no intention of breaking the cease-fire" signed in August with the government led by Belisario Betancur. Ospina, 44, successor to legendary guerrilla Jaime Bateman, dismissed outright fears of a violation of the peace agreement stemming from the recent arrest of two M-19 members -- one of them, Antonio Navarro, a member of the committee that conducted the negotiations with the government.

"The M-19 still resolutely brandishes the flag of peace, because we aspire to peace, and at a national leadership meeting that has just taken place it was decided that not even the attacks that the Army is making on our guerrilla groups will make us break the cease-fire, because we are going to place observance of the accord above any other consideration."

Ivan Marino Ospina is presently on a visit to several European countries, including Spain, in a quest for international support for the peace agreement signed in Colombia.

The M-19 leader said that "the Army has already twice attacked our guerrilla groups and received the necessary response, involving losses on both sides." Nevertheless, he stressed that this would not change the M-19 stance. "We now endorse the saying that it is easier to sign a peace agreement than to honor it. And we know that we will have to force certain sectors to accept democracy, such as the more stubborn sectors of the Army, which constantly hinder the steps toward peace which President Betancur and the guerrilla groups are taking."

The condition set by M-19 for signing the peace treaty is the initiation of a "national dialogue." The group, which considers itself the heir to Bolivar's ideals, believes such a dialogue should admit to the political process those population sectors traditionally excluded, since Colombia is a country where no more than 30 percent of the population takes part in elections.

"There is a national dialogue, the national dialogue has begun. Throughout our country our guerrilla groups are addressing all social sectors and taking part in broad discussions of the country's problems," Ospina said. "We signed a cease-fire 2 months ago. Now we are organizing a major national dialogue that will bring all sectors of the country face to face with the government to discuss the acute economic and social crisis for which we will seek urgent solutions."

"We are now," he said, "a workshop for a new experiment being carried out in Latin America. We have taken a new path, making a break with the approach to the struggle which we used in the 1960's. We have matured a great deal. We are more objective, more realistic. We are setting an original path for the transformation that Colombia needs."

Ospina gave the following example of this "national dialogue," which he says other guerrilla groups have joined: "We are based on an area of great social conflicts. There we are calling together the owners of the big estates, the native population who have taken 750,000 hectares of land by force, the tradesmen, and the landowners. And we have now had talks with owners of major coffee plantations and cattle ranches....

"This must take concrete form," he added, "in a series of specific proposals. Belisario Betancur has promised to submit a package of reforms to parliament, but we do not want those reforms to be confined to parliament.

"I have also spoken with a number of Colombian military leaders. There cannot be said to be a progressive nationalist tendency. The Colombian military has not espoused peace in Colombia."

Ivan Marino Ospina believes that it is necessary to seek ways of integrating the bosses of cocaine trafficking into the legal Colombian economy. "We believe a way must be found of integrating this vast capital controlled by Colombians into the nation's industry. Belisario Betancur took a step toward this integration by granting a tax amnesty to members of the mafia, but I believe it is necessary to go beyond that, to give them the chance to return home with their capital, to stop the trafficking in which they are involved, and to devote themselves to providing our people with abundant material assets."

M-19 PROCLAIMS OSPINA PRESIDENTIAL CANDIDATE

PA061736 Bogota EL SIGLO in Spanish 2 Dec 84 p 1

[Text] During a political ceremony held yesterday at the Caicedo Plaza in the city of Cali, the M-19 proclaimed their leader Ivan Marino Ospina as presidential candidate for the period 1986-1990. The political act was attended by symphathizers of the subversive group from various parts of the Valle del Cauca Department, and a large number of spectators who gathered at the popular plaza.

FARC ACCUSES MILITARY OF UNDERMINING CEASE-FIRE

PA061738 Bogota EL SIGLO in Spanish 1 Dec 84 p 2

[Text] Yesterday, the General Staff of the Fifth Front of the Revolutionary Armed Forces of Colombia-Poor People's Army, FARC-EP publicly denounced the constant torpedoing of the first stage of the search for national peace, which is the cease-fire, by certain high military commands which are trying to eliminate the guerrilla organizations through harassment and provocations.

The rebels charge that the Voltigeros Battalion, which is attached to the 5th Brigade, has been making certain "preparations" to jeopardize the cease-fire. These include overland treks by patrols for the ostensible purpose of preparing maps and layouts of the region; aerial photography and reconnaissance by military helicopters and planes; infiltration of "civilians" posing as farmworkers to conduct intelligence missions; indiscriminate searches and controls on the movement of peasants, who are questioned about the guerrillas' whereabouts; installation of mobile checkpoints; and deployment of troops to localities such as San Jose de Apartado, Caraballo, La Union, Tio Lopez, and so on.

The FARC-EP charges that while all this is taking place in the rural areas, so-called "civilian and military" operations are being conducted in urban areas. According to the subversives, these are nothing but military raids to find the guerrillas. In addition, the subversives demand the lifting of the state of siege, which they regard as an obstacle to the country's democratization process. They also call on revolutionary and democratic parties and movements, unions, peasant groups, and other people's organizations to join efforts through a single front for democratic peace to stop the provocations and sabotaging of the cease-fire and truce by the military and reactionaries.

RADIO NANDUTI DIRECTOR ON BAN, POSSIBLE CLOSURE

PY061950 Asuncion SENDERO in Spanish 6 Dec 84 p 15

[Interview with Radio Nanduti Director Humberto Rubin by unidentified reporter]

[Excerpts] [Question] What do you think of the government-imposed ban on your participation in programs in the radio you own, and of the possible closing down of Radio Nanduti?

[Answer] This all is just another act of injustice. This is not the first time, because you know that all this began some time ago. For me, this a continuing story. I was not allowed to acquire Radio Itapiru because someone on the Council of the National Telecommunications Administration had said that I was not a friend of the government; my appearance on the televised charity program "Teleton" was banned for unknown reasons; the weekly RESUMEN which I wanted to publish never reached the streets; I was kept from talking on the microphone for some time; my radio station was closed for 30 days, and so forth. So this is a continuing saga that for me has not ended.

[Question] Doesn't it seem a contradiction to you that the progoverment party is in the absolute majority and that 57 radio stations have recently expressed their support for the government measure, and yet they want to close a radio station that apparently does not hurt them?

[Answer] It is a question of interpretation, because in Paraguay there exists "the ones and the others." If you call a progovernment newspaper, the radio program "The Voice of the Colorado Party," or the weekly MAYORIA, they will say: How come Rubin thinks differently than the other 57 radio stations? Moreover, in Paraguay for some time now, only expressing an opinion, but thinking is a crime. The problem is that we are not used to thinking. After so may years of handclapping and hurrahs, someone comes out and says I don't believe it is so, and the problems begin. I am afraid that they may yet set up a psychiatric hospital for the dissidents, as the Soviet Union. The only thing we need here is a psychiatric hospital so that Zuccolillo, Gonzalez del Valle, and myself can be interned.

[Question] In the television program "National Reality," Mr Anibal Fernandez implied that you are a bandit. His precise words, did not say this; however, indirectly he did say it. How do you respond?

[Answer] I cannot give an opinion on a program in which all the participants are on the same team. It is like a group of Olympia soccer team fans giving opinions about the Cerro Proteno soccer club. I believe that a good program should bring together people who think differently. But on that program everyone was in agreement. Everyone thought that ABC was a destabilizing newspaper. I believe that someone, many, may think that it is not so. ABC was not a perfect newspaper, but it fulfilled its mission. Mr Anibal Fernandez is not perfect, and the fact that he holds power does not give him the right to offend, although one does not offend whoever he wishes to, but whoever he can. In the particular case of ABC, this newspaper should not be taken out of circulation, because it defended the Paraguayans, the workers, our people more than anyone else. What Mr Fernandez has to say to me will only concern me on the day he says it to my face, on some television or a radio program.

[Question] ABC was the newspaper with the largest circulation and was closed. Radio Nanduti is the station with the most listeners, and they want to close it. Do you believe that they are trying to close off the channels through which the people express their opinion or preference?

[Answer] When Miguel Fernandez, director of Radio Asuncion, came to see me about a testimonial to President Stroessner, he brought a list in which Radio Nanduti and Radio Charitas were written in red pencil because they had not adhered to the testimonial. I then told Miguel Fernandez that I would like to sit at a table with all the radio announcers, with the president, even with Mr Zuccolillo, and talk about the press in our country. I believe that there is misinformation about the means of communications because I honestly believe that if ABC, Nanduti, or SENDERO expose a misdeed, they should be rewarded by the government for that. The best way that errors can be corrected is if someone denounces them, right? If someone at my radio station tells me that he will make a list of the problems with the station that I have not seen, I would love it because that way I could improve my station.

[Question] And if you are the one who makes the errors?

[Answer] Ah! That is something else. Here we cannot speak of anyone who makes mistakes in particular. We all make mistakes. You should recall that in his first term I accompanied President Stroessner on his trips to the countryside, and even transmitted official ceremonies from the sites where they were being held. After so many years of revolutions, of killings among brothers, I thought that someone with a strong hand was necessary to put things in their place. But the years went by, youngsters were born, grew up, and became adults. I believed that the president would understand that the time for the great agreement, for the great dialogue, had come. Even if I sound idealistic, I still believe that the great dialogue will be held not too far in the future. There are half a dozen people who do not want it, but when the time of the great dialogue arrives many problems will be solved. The exiles will return; the state of siege will terminate; the state of law will be instituted; and those who have souls of coupists, those who go for violence, those who form guerilla groups, will go to jail; there will be justice for everyone, and he who thinks differently will not be condemned. As for your question, I don't know if ABC and Nanduti have been sanctioned because of their popularity. I have never stopped to think of it this way. I have several times been told that I only bring up negative aspects, never positive aspects. The thing is that we do not invent the news. I don't run a news factory to produce good or bad news on order. The radio only reflects and comments on what happens in the country, in the world.

[Question] Will your radio station continue its same journalistic line, even at the risk of leaving people without their jobs?

[Answer] Yes, that's a problem. But we will continue with the same line. We are on the same line.

BOOKSHOP RAIDED FOR SUBVERSIVE LITERATURE

PY061230 Asuncion HOY in Spanish 5 Dec 84 p 18

[Text] Investigative Police Department personnel raided the El Lector bookshop on Antequera and 25 de Mayo Streets in Asuncion after learning about the existence there of subversive literature. Criminal Judge Edgar Ruben Stanley issued the search warrant requested by the police.

The raid took place at 0900 on 3 December in the presence of the judge; Alberto Cantero, director of political and related matters of the Investigative Police Department; Mario Angel Ali, legal adviser to the police; and the court secretary

Two copies of a book considered to be of a subversive tendency by the authorities, entitled "Bicycle Revolution" and written by Mempor Yardenilli, were found by the police during the raid. Pablo Leon Burian, the bookshop owner, said that the two books were kept in his storage room at the Monumental Building in front of his shop. He said that "the books were bought from the Comuneros bookshop and I have the invoices. The El Lector bookshop is careful about its business. Sometimes they publishing companies send books for promotion, and a book considered to be dangerous by the authorities may come among them, but that is beyond our contro[illegible]"

Last week, the Investigative Police Department, after obtaining a search warrant, also raided the firm Pety S.A., in search of subversive ready material.

PEASANTS BEGIN HUNGER STRIKE TO DEMAND FREEDOM

PY050210 Madrid EFE in Spanish 0041 GMT 5 Dec 84

[Text] Asuncion, 4 Dec (EFE) -- According to lawyer Digno Britez, six peasants who have been in jail for 4 years at the Tacumbu Prison started today a fast to demand their freedom.

The peasants in question are Francisco Dure, Santos Dure, Arcadio Florez, Felipe Florez, Vidal Martinez and Mariano Martinez. They are charged with having participated in the hijacking of a bus on 8 March 1980 along with other poor peasants.

The peasants, who are fasting indefinitely, are not taking any food or liquid, except water. They are fasting to demand their freedom and that of all political prisoners in the country, as well as the repeal of repressive laws. Moreover, they demand that the 10 peasants, who disappeared after the police intervened in the incident to release the bus from the hijackers, appear alive.

After the incident, the police admitted that 10 hijackers had died in the ensuing clash, but since their bodies were never produced, their relatives and friends have continued to demand their appearance.

BRIEFS

YEARLY INFLATION ESTIMATE -- On the basis of the average inflation rate of 2.2 percent per month over the January-August period, this year's inflation will reach 26.4 percent. The Central Bank report notes, however, that inflation has been accelerating in recent months, in the last 3 months picking up 10 percentage points of the 17.6 percent recorded over the January-August period. [Summary] [Asuncion HOY in Spanish 27 Nov 84 p 11 PY]

1985 BUDGET APPROVED -- Congress has just passed the 1985 budget bill that was submitted by the executive branch. The budget anticipates central administration revenues of 118,886,444,000 guaranies, and decentralized administration receipts for 227,160,431,000 guaranies. This budget provides the largest apportionments to the Public Works Ministry, the Defense Ministry, and the Education Ministry: 19,688,963,639; 18,322,720,103; and 17,663,063,100 guaranies, respectively. [Summary] [Asuncion ULTIMA HORA in Spanish 27 Nov 84 p 16]

COLOMBIAN PRESIDENT CONCLUDES OFFICIAL VISIT

Commended by De la Madrid

FL061338 Mexico City NOTIMEX in Spanish 2100 GMT 4 Dec 84

[Text] Mexico City, 4 Dec (NOTIMEX) -- Mexico's President Miguel de la Madrid said here today that Latin America is currently living through a fundamental stage in its history due to a rebirth in democracy, the fight against secular problems, and the overcoming of the crisis.

De la Madrid, on welcoming Colombian President Belisario Betancur at the National Palace's central patio, said that the visit would serve to consolidate the friendship and fraternity the two countries have achieved and which has benefited Latin American stability. De la Madrid said the search for peace in all Latin America, the start of the struggle for solidarity, and the search for Latin America to have its own voice, autonomous and independent from the rest, are some of the causes which Latin America has adopted.

He underscored that Colombia was a country that Mexicans had always loved, and described the Colombian president as a statesman with exceptional insight into Latin America's problems and in promoting solidarity among nations, besides being a friend of Mexico.

President De la Madrid, his wife Paloma Cordero de la Madrid, and Foreign Secretary Bernardo Sepulveda met with President Betancur, who is visiting Mexico for the third time, and his delegation in the formal patio at the National Palace, where a military band played the two countries', national anthems. Afterward, the two presidents met in private for 1 and 1/2 hours for their first round of talks.

Speaks at Welcoming Ceremony

FL061552 Mexico City NOTIMEX in Spanish 2145 GMT 4 Dec 84

[Excerpts] Mexico City, 4 Dec (NOTIMEX) -- Colombian President Belisario Betancur said here today at his welcoming ceremony that Latin America does not need patronizing or undermining of its decisionmaking capabilities. We have fully developed our potential, he said, and demanded that Latin Americans be allowed to be themselves.

In his message to the Mexican people, Betancur said that the Central American region has the right to find its own identity, and underscored the fact that the Contadora Group's role in that process is exclusively that of peacekeeper. We want peace fully established in the Central American and Caribbean regions so the peoples, through their own virtue and power, may find their way through history, he added. Above all, it is a question of each community choosing its own destiny and participating in all the forums in which decisions are going to be made that will have an influence on its destiny. He said the Contadora Group is recognized worldwide because of its sincerity and integrity and its respect for the peoples of the region who are seeking their own cultural identity.

The Colombian president said that if the industrialized world can be persuaded to help Central America by paying fair prices for exported products, the Central American peoples will be able to overcome the crisis affecting them and the Mexican and Colombian peoples.

Finally, he said that on this third visit to Mexico he voices in the name of the Colombian people his admiration for and solidarity with the government of President Miguel de la Madrid and its work as a member of the Contadora Group.

Calls For Area Integration

PA061229 Bogota Domestic Service in Spanish 1730 GMT 5 Dec 84

[Text] Mexico City -- Colombian President Belisario Betancur has called for the integration of the interests of an independent Latin America. At the same time, he also condemned the arms buildup of the superpowers and intervention in the self-determination of peoples. The president made this statement in Mexico City's Tlaltelolco Palace where Mexican President Miguel de la Madrid held a reception to welcome Betancur, his wife, and his retinue.

President Betancur referred to the crisis in the Third World, especially in the economic field. He stressed the importance of joining efforts to eradicate the oppressive protectionist and deflationary policies of those who handle international finances, describing them as those who will not enter the kingdom of heaven. He said: (?We must) concentrate our national energies and efforts to overcome the crisis without increasing social inequality or (?authoritarian) measures to repress the just discontent of the deprived. He added: We cannot impassively watch an inadmissible rearmament because this extracts high social costs, is politically irrational, and threatends regional stability. He stressed: Democracies know that the military sector is a vital force in national development but that militarism and all forms of despotic rule are evil and inadmissible.

Betancur said: We continue our efforts to reaffirm our independence as the foundation for the development of honorable and stable relations between the Americas. That is why we support the peaceful solution of the Central American conflicts and we condemn any position that proclaims intervention and violates the principles of self-determination of peoples.

The president referred to the spirit of the Contadora Group and the independent conduct advocated by the Nonaligned Movement. He stressed that these organizations are revitalized by the search for a just peace, detente, and a new international economic order, and by maintaining equidistance from the superpowers.

Speaking to Mexican Government officials, the Colombian president emphasized Colombia's institutional tradition and its support for democracy, although he admitted that there are imperfections due not only to institutional weaknesses, but also to economic underdevelopment and social inequality. In this regard, he said: Consistent with our support for democracy and our efforts to implement it, we firmly defend the principles of law, particularly international American law. We repudiate violence in relations between countries and threats, harassment, polarization, and everything that endangers peoples' autonomy to decide their own fate.

Betancur indicated that Colombia follows a line of conduct that permits it to occupy a place befitting a sovereign and independent state. He said: We seek to be equidistant from the superpowers because we want to be independent. By stressing historical and cultural factors, we seek to contribute to the establishment of a truly pluralistic inter-American system without any ostracism.

Comments on Contadora

FL061700 Mexico City NOTIMEX in Spanish 0305 GMT 6 Dec 84

[Excerpts] Mexico City, 5 Dec (NOTIMEX) -- Colombian President Belisario Betancur tonight said that the Contadora Group has not failed in its Central American peace efforts and that it is studying suggested changes in the basic Contadora peace document.

Following his second round of private talks with Mexican President Miguel de la Madrid, President Betancur underscored Contadora's role as an important stabilizing alternative for the region. He also stressed the fact that Contadora is studying suggested changes and said the suggestions were expected because the document was presented to the interested governments for their consideration.

President Betancur said one of Contadora's most important achievements has been to avoid war, and this represents important progress although it has not been achieved with social justice as was desired. Peace is not only the absence of war, he said, but the working of such variables as social justice, reduction of protectionist attitudes and high interest rates, and a decrease in the arms race, among other considerations.

He said the suggested changes in the Contadora peace document do not affect the essential content of the document. He said Contadora does not want to replace anything but rather help nations to find their own way. He said nonintervention in the internal affairs of other nations is the essence of Contadora and its golden rule because it only wants sister nations to draw closer together. He also said Contadora will not be a permanent organization but will be maintained as long as the problem in the area exists, and this has been the plan from the beginning.

Betancur said his conversation with President de la Madrid served to complement existing bilateral relations and provide for intensifying cooperation in fishing, tourism, use of coal and other energy sources, and especially cultural contacts because Colombia. he said, admires the expressions of the Mexican soul.

Finally, President Betancur referred to the pacification process in Colombia. He said that through dialogue it has been possible to get the Revolutionary Armed Forces (FAR) to accept a second truce, which gives great hope of pacifying the nation.

Meets M-19 Leader

PA061835 Paris AFP in Spanish 1803 GMT 6 Dec 84

[Text] Mexico City, 6 Dec (AFP) -- Guillermo Angulo, Colombian ambassador to Mexico, has confirmed that Colombian President Belisario Betancur and Ivan Marino Ospina, top leader of the Colombian guerrilla 19 April Movement, M-19, met early this morning in Mexico. During the dialogue, the M-19 leader reiterated that that movement will continue to participate in the process initiated by President Betancur to secure peace in Colombia. According to the same source, Ospina rejected kidnappings and violent means at this stage of the peace process.

The conversation, held in the home of Mexican Foreign Secretary Bernardo Sepulveda, began at 0030 today and lasted until 0215, the diplomat indicated.

Joint Communique Issued

FL061850 Mexico City NOTIMEX in Spanish 1809 GMT 6 Dec 84

[Text] Mexico City, 6 Dec (NOTIMEX) -- Mexico and Colombia have expressed their concern over the tensions which persist in Central American and which harm peace efforts, with irreversible consequences for the region. In a joint communique issued at the end of their private talks, President Miguel de la Madrid and Colombian President Belisario Betancur ratified their readiness to continue contributing to the search for political peace in Central American. They also underscored the need to slow down the arms race and eliminate harassment and shows of force in the area and demanded support for democracy and respect for sovereignty.

The two presidents also expressed their decision to strengthen bilateral relations between Mexico and Colombia, and to diversify economic, commercial, cultural, scientific, and technological cooperation, specifically in tourism, the fishing industry, energy, and industrial development.

With regard to Central America, they ratified their decision to continue working with Venezuela and Panama to achieve lasting peace through dialogue and negotiations as the best alternative to shows of force and expressions of intolerance. They underscored the fact that suggested changes in the Contadora peace document will be taken into account to the degree that they are the real expression of a will to compromise and favor reconciliation, mutual confidence, and balanced rights and responsibilities.

The two presidents gave special attention to the resurgence of democracy to the south, which contributes to the integral development of the peoples and strengthens regional solidarity. Presidents De la Madrid and Betancur pledged to actively promote the search for mechanisms to lessen the risks of nuclear war. They stressed the fact that peace and security are a shared responsibility of all nations.

Betancur Departs

FL061958 Mexico City NOTIMEX in Spanish 1850 GMT 6 Dec 84

[Text] Mexico City, 6 Dec (NOTIMEX) -- Mexico's President Miguel de la Madrid this morning said farewell to Colombian President Belisario Betancur at an informal ceremony held outside the official Los Pinos residence. President Betancur officially ended his activities in Mexico City with this event, and left for the Yucatan, in southeastern Mexico, where he will visit archeological sites. Speeches were not made at the event, but the national anthems of Mexico and Colombia were played.

After the protocol ceremony, which lasted 10 minutes, the two leaders walked to a limousine which the Colombian president entered. Before entering the car, Betancur thanked De la Madrid for the courtesies extended during his visit, and President de la Madrid presented him with a photograph as a remembrance of his visit to Mexico.

TEXT OF COMMUNIQUE ON NICARAGUA'S RAMIREZ VISIT

FL051726 Mexico City NOTIMEX in Spanish 1515 GMT 5 Dec 84

[Text] Managua, Nicaragua, 5 Dec (NOTIMEX) -- Nicaragua's Foreign Ministry has issued a communique which states that Vice President-elect Sergio Ramirez Mercado met last Monday with Mexican President Miguel de la Madrid. The text of the communique reads: On 3 December, Comrade Sergio Ramirez Mercado, Government junta member and vice president-elect of Nicaragua, met with Mexico's President Miguel de la Madrid in Mexico City. The serious situation in Central America, the Contadora Group's negotiating efforts, and other matters of bilateral interest were discussed. The meeting contributed to clarifying the complex situation in Central America, and to strengthening the ties of friendship and cooperation which exist between the people and Governments of Mexico and Nicaragua.

LABASTIDA DISCUSSES OIL MARKET, DEPARTS ON TOUR

FL060118 Mexico City NOTIMEX in Spanish 1818 GMT 5 Dec 84

[Text] Mexico City 5 Dec (NOTIMEX) -- Mexican Secretary of Energy, Mines, and Parastate Industry Francisco Labastida Ochoa has said here that beginning today, Mexico will take the necessary measures to confront the instability surrounding petroleum that will occur next summer.

The Mexican official made that statement at the Mexico City airport before beginning a working tour to Washington, Ottawa, Saudi Arabia, and Kuwait, where he will hold talks with the secretaries of energy and petroleum of these nations to study the current situation in the international petroleum market. He said that in the next few months, when weather conditions are not so severe, the consumption of hydrocarbons will fall, causing a balance deficit that exceeds $130 billion [as received] this year, and that the United States is taking measures to alleviate the problem of foreign trade. He added: Some countries are being restricted in their exports to the United States but I believe in Mexico's case, we must speak objectively with the Americans and defend our interests because their economy is strong and close to us and we can export a significant quantity of Mexican products to them.

The Mexican secretary noted that this month Mexico will continue its petroleum policy of reduction. That is, it will produce 100,000 fewer barrels per day or 1.4 million fewer barrels per month than previously. This means that this month alone, Mexico will not collect $81 million that it otherwise would have collected.

FOREIGN SECRETARY ON RELATIONS, TRADE WITH EC

FL061742 Mexico City NOTIMEX in Spanish 0219 GMT 6 Dec 84

[Excerpts] Mexico City, 5 Dec (NOTIMEX) -- Mexico's Foreign Secretary said today that in today's complex international world, the European Community (EC) plays a relevant role which goes above conditions in world economic relations. At the inauguration of the fifth joint Mexico-EC committee meeting on cooperation, Foreign Minister Bernardo Sepulveda said that the outcome of this meeting would influence ties between Mexico and the EC, and will open new channels in relations among the various governments. EC committee member Richard Burke said that the EC's market was open to Mexican products because of generally low community tariff rates and the general system of preferential rates. The meeting's agenda basically contains three topics of discussion: general matters, trade cooperation, and economic cooperation. The 1983 trade balance between Mexico and the EC [words indistinct] the community by some $900 million. Mexico's exports to the EC were for 2.762 billion UCE (the European currency unit with a value approximately comparable to that of the U.S. dollar), and Mexico's imports from the EC were 1.1776 billion UCE.

AGREEMENTS ANNOUNCED WITH FRANCE, ARGENTINA

FL050126 Mexico City NOTIMEX in Spanish 1510 GMT 4 Dec 84

[Text] Mexico City, 4 Dec (NOTIMEX) -- The Mexican Government today announced a mutual assistance agreement signed with France anda complementary accord dealing with economic and social planning made with Argentina. The federal government published today, through the Foreign Relations Secretariat's official daily, the approval of these documents.

The objective of the agreement established with the French Government, signed in Paris last February, is to investigate and prevent customs frauds by the customs management of each country. The accord with the Argentine Government was signed in Buenos Aires on 4 April.

The Foreign Secretariat also published in its official daily another document amending Articles 3 and 18 of the international extradition law. Article 3 states that the petition for extradition, which the pertinent federal authorities file, will go to the Foreign Secretariat through the attorney general. Article 18 states that if the term which the law establishes expires and an extradition petition is not filed in the Foreign Relations Secretariat, the judge who is in charge of the case will advise the Secretariat about the expiration period so the Secretariat, in turn, can notify the requesting state.

COCINA HOLDS FDN RESPONSIBLE FOR ATTACKS

PA061803 Panama City LA PRENSA in Spanish 4 Dec 84 p 1 A

[By Franklin Bosquez D'Giovanni]

[Text] The Coordinating Board for National Civilianization (Cocina) has accused the top leaders of the Defense Forces of the Republic of Panama (FDN), General Manuel Antonio Noriega and Colonel Roberto Diaz Herrera, of being the "masterminds" behind a systematic campaign of physical attacks against leaders of this movement.

Cocina's Coordinator Mauro Zuniga told LA PRENSA that yesterday morning, a truck damaged the back of his car, a yellow Toyota, outside the Athenaeum of Science and Arts.

Zuniga said: "We believe that this is part of the national government's current campaign of threats and repression against Cocina leaders." He added: "The actions are no longer limited to telephone threats. Now they include actions against our property."

Zuniga said that Cocina considers Gen Manuel Antonio Noriega and Col Roberto Diaz Herrera as "intellectually responsible" for the attack, and "also makes them responsible for any action against the Cocina leaders."

According to Zuniga, Cocina has not yet examined the possibility of a coup d'etat by the military. He stressed: "We reiterate and insist on Cocina's four basic objectives that, as we have said before, represent the fundamental objectives of the Panamanians." Zuniga concluded: "Doctors, teachers, student organizations, and professionals in the health field are currently supporting the indefinite strike called by Cocina."

PNP CLARIFIES POSITION ON PARTY REINSTATEMENT

PA061936 Panama City YA in Spanish 4 Dec 84 p 3

[Text] Some media sources have reported that Olimpo Saez, president of the Popular Nationalist Party [PNP], is making "efforts" to have a bill approved that would restore the parties declared defunct by the Electoral Tribunal. In this regard, and with the authorization of the Executive Committee [of the PNP] we make the following clarification:

1. Neither the president of the PNP nor any leader of the party is carrying out "efforts" to have a bill approved at the Legislative Assembly, for this would imply recognition and legitimization of the arbitrary actions of the Electoral Tribunal in this affair.

2. The PNP earlier supported a bill to reduce the minimum of votes required for party subsistence to 1 percent. This bill was proposed before the extinct National Legislation Council, but not approved, so that other parties could have a spokesman in the Assembly through their "Lone Ranger" [vacant seat in the Assembly, which is disputed by several parties].

3. The eventual approval of this bill would confirm to the people of the country our rejection of the 10 June vote count figures and our conviction that these figures were inflated and manipulated by the comptroller's office and the electoral tribunal in order to deny Olimpo Saez the seat in the legislature that he legitimatelly earned because the PNP amassed more than 3 percent of those votes.

4. As we said earlier, we are prepared to reregister the PNP, which was declared defunct and denied the seat in the legislature that it constitutionally and legally earned.

Panama, 30 November 1984

[Signed] Jose Manuel Torres, Secretary General of the Popular Nationalist Party

SOVIET DELEGATION PRESS CONFERENCE CANCELED

PA062243 Panama City ACAN in Spanish 1619 GMT 4 Dec 84

[Text] Panama City, 4 Dec (ACAN-EFE) -- A Soviet delegation is visiting this capital, invited by the People's Party (communist, pro-Soviet) of Panama. The delegation is comprised of Karen Brutents and Mikhail Kudachkin, chief and deputy chief of the CPSU Central Committee's International Department.

A press conference which had been announced for today was canceled, and a spokesman of the General Secretariat of the People's Party -- which is headed by Ruben Dario Sousa -- said that an official communique will be issued at the end of the visit. No details were offered regarding Brutents' or Kudachkin's activities in the country. Panama does not have diplomatic relations with the Soviet Union.

UNADE SUPPORTS REPLACING LAW 46, MODERNIZATION

PA042248 Panama City LA REPUBLICA DOMINICAL in Spanish 2 Dec 84 p 1 A, 8 A

[By Reinaldo Labastida]

[Text] Yesterday, the representatives of the parties that comprise the National Democratic Union, UNADE, reached the political consensus that it is necessary to hold further consultations with labor, business, and political sectors on the bill that will replace Law 46. After a lengthy meeting held in a local hotel, LA REPUBLICA learned that the bill must be submitted to the National Legislative Assembly, as soon as possible, after the consultations are carried out.

During the meeting private enterprise, represented by the National Council of Private Enterprise, CONEP, said that its proposal is for the business sector to contribute to finding an acceptable solution and that it is willing to accept the changes if the community will benefit from them.

In their meeting the political parties unanimously agreed to support President Nicolas Ardito Barletta in his effort to modernize the country's economy, in his struggle for administrative efficiency and the country's productivity, in seeing to it that private enterprise and the government do their part for the country's development, and in making the social groups feel that they are participating in this process.

Other alternatives and recommendations were submitted at this meeting, characterized by a spirit of solidarity, understanding and patriotism, so that the country's middle class does not have to pay more taxes. The plans of some extreme leftist sectors led by the Popular Action Party, PAPO, who are trying to destabilize the country, were also discussed at the meeting. The opposition group's plan is not to solve the country's economic and fiscal problems, but to destabilize the country. LA REPUBLICA also learned that the UNADE parties invited other political parties to participate in the national debate.

COSTA RICA

GUATEMALA'S MEJIA ARRIVES FOR 3-DAY VISIT

PA060245 Rome IPS in Spanish 1953 GMT 5 Dec 84

[Text] San Jose, 5 Dec (IPS) -- Costa Rican President Luis Alberto Monge and Oscar Mejia Victores, Guatemalan head of state, today initiated a round of talks in San Jose on Central America's crisis and bilateral problems.

Upon arriving at the Juan Santamaria International Airport, located 22 km northeast of San Jose, for a 3-day official visit this morning, Mejia stressed his full support for the Contadora Group and vigorously denied that human rights are being violated in Guatemala.

After a formal ceremony was held and after he greeted dozens of children of the Republic of Guatemala School, Mejia briefly spoke to newsmen.

He said that his country has entered a democratization stage that will culminate with next year's pluralist presidential elections, and added: "Let the people choose whom they will."

Mejia expressed his support for the Contadora Group in its effort to pacify the area and advocated a meeting of the area's heads of state because "everything must be done to attain peace in Central America."

Created in January 1983 and formed by Panama, Colombia, Venezuela, and Mexico, the Contadora Group seeks a negotiated solution to the Central American crisis in an effort to prevent the outbreak of a regional war.

Mejia said that his government did not support the efforts by Costa Rica, El Salvador, and Honduras in September aimed at amending the drafted peace document that the Contadora Group presented to the area countries. The document, that contains the bases for a peace treaty, was accepted by Nicaragua, but the three other countries presented comments for "better control and verification of the pledges included therein." The document seeks to eliminate the presence of military advisers, reduce the arms race, and hold free, democratic elections, among other things.

Mejia added: "We had some reservations regarding the document. For this reason, we did not accept it. Now, we are waiting for the proposals from three other countries."

In turn, President Monge pointed out that area democratization is reasonably hopeful and mentioned the Honduran and Salvadoran Governments and Guatemala's actions as examples.

The Guatemalan leader asserted: "We feel that all democratic processes in Central America encourage and support the Costa Rican people's determination to be firmly on the side of democratic institutions."

Monge and Mejia will try to reach an agreement regarding the suspension of trade between the two countries since 8 October due to Guatemala's debt to Costa Rica of approximately $43 million.

Tomorrow Mejia will decorate Monge with the Gran Quetzal Order, Guatemala's highest decoration.

Meets With Monge

PA061528 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 6 Dec 84

[Text] General Oscar Humberto Mejia Victores, Guatemalan head of state, and Luis Alberto Monge Alvarez, Costa Rican president, today met for the first time to analyze the delicate Central American situation. Mejia Victores is in Costa Rica for a 46-hour visit. He was welcomed by President Monge and his cabinet at the Juan Santamaria Airport.

Mejia, who is staying in the luxurious Cariari Hotel, located 2 km from the international airport, met with President Monge at 1500 for a work session. It is known that they discussed the Contadora peace proposal and the observations to the peace document recently made by El Salvador, Costa Rica, and Honduras. It was reported that the Guatemalan head of state told Monge that Guatemala supports the Contadora Group and would sign that group's peace document only if the amendments proposed by Costa Rice, El Salvador, and Honduras are incorporated in it. Monge said that he is most willing to sign the peace document as soon as a number of amendments are made to Chapter B, the chapter on verification and control.

The overall Central American situation was also discussed during the meeting. The two heads of state voiced their optimism for the two meetings in El Salvador between President Jose Napoleon Duarte and FMLN delegates aimed at finding peace in that country.

Tonight, at the Presidential House, President Luis Alberto Monge will host a banquet honoring Mejia. Tomorrow, Mejia Victores' schedule includes breakfast with the presidents of the Legislative Assembly, Supreme Court of Justice, and the Supreme Electoral Tribunal.

Later, he will place a wreath at the National Monument to the Heroes at the National Park and attend a countryside luncheon in Paraiso, Cartago, 35 km from San Jose.

Meanwhile, Mejia's government team and their Costa Rican counterparts are discussing trade problems between the two countries. In addition to head of state Mejia and his wife Aura de Mejia, the Guatemalan delegation is made up of Fernando Andrade, foreign relations minister; Leonardo Figueroa, finance minister; Leonel Hernandez, economy minister; Oscar Alvarez, Bank of Guatemala president; Arturo Herbruger, Supreme Electoral Tribunal president, Pablo Nuila, chief of staff of the presidency; (Raul Rivera), protocol director; and Carlos Urrutia, the Guatemalan ambassador to Costa Rica. The Guatemalan delegation's economic team today met with their Costa Rican counterparts to study solutions to pending matters between the two countries.

Tomorrow, the Guatemalan President will decorate President Luis Alberto Monge with the Grand Cross of the Order of the Quetzal during a banquet honoring President Monge that will take place at the Herradura Hotel, a half km from the Cariari Hotel.

After signing a joint declaration and taking part in a news conference, Mejia will return to Guatemala at 0900 on Friday; in Guatemala City, he will welcome Colombian President Belisario Betancur that afternoon.

EL SALVADOR

PRESIDENT DUARTE LEAVES FOR MIAMI CBI MEETING

PA070001 San Salvador Radio Cadena YSU in Spanish 1800 GMT 6 Dec 84

[Text] President Jose Napoleon Duarte left today for Miami, accompanied by Defense Minister General Carlos Eugenio Vides Casanova, President of the Supreme Cour of Justice Dr Franciso Guerrerro, and President of the Legislature Assembly Dr Maria Julia Castillo, to participate in the 8th meeting of the member nations of the Caribbean Basin Initiative. Referring to the reasons for the trip, President Duarte said:

[Begin recording] The presence of the president at the meeting is to encourage the private sectors of El Salvador and the United States to seek means to take advantage of the Caribbean Basin Initiative plan for investment and business relations between Salvadorans and North Americans to open up U.S. market possibilities. The presence of the president of the Republic, particularly on this occasion, with representation of the three branches of state, implies our support to the Salvadoran private enterprise and shows that the Salvadoran Government is willing to help promote foreign investments in El Salvador and obtain better possibilities for negotiations between Salvadoran and U.S. private enterprises. This is actually the reason for our presence at the Miami meeting. It also offers the opportunity to review the basic problems of the country and Central America and the situations that are responsible for the problems affecting all of us in the area. [end recording]

Asked about the topic he will discuss at the University of Texas at San Antonio, the chief of state said:

[Begin recording] We will bring up the issue of the two big world fronts: North-South and East-West. We will indicate that there is a symbiosis of the two fronts in El Salvador, because along with the North-South problem, basically encompassing the underdeveloped nations and the causes of their backwardness, there exists an East-West confrontation, which in turn has promoted the interference of the two big world powers and resulting problems. All this should make the powers of the West and East and the Christian nations in the world realize that the Salvadoran problem has become vital in resolving the problem of the East-West ideologies as well as analyzing the pheonomenon of underdevelopment of the area. [end recording]

Asked his opinon on the creation of Article 79 of the electoral law, President Duarte said:

[Begin Duarte recording] I cannot say anything about this because, as president, I must make decisions. I must wait for the law before making a decision. To say anything before would be illogical. [end recording]

President Duarte discarded the possibility of a third peace meeting with the rebels, at least this year, claiming that the mediating party, the church, is overburdened with work this month of December.

FMLN'S OQUELI, SAMAYOA DISCUSS PEACE PROPOSALS

FL062316 Mexico City NOTIMEX in Spanish 2225 GMT 3 Dec 84

[Text] Mexico City, 3 Dec (NOTIMEX) -- The political-diplomatic committee of the Salvadoran insurgency today called for the change from dialogue to negotiation and concrete acts, during meetings they have with the government of Jose Napoleon Duarte.

Duarte's peace proposal for El Salvador is minute and insufficient, because it only offers amnesty and repatriation to the people who ask for it without considering the problem in a comprehensive manner, said three FMLN-FDR representatives.

At a press conference held 4 days after the second meeting held in El Salvador, Hector Oqueli, Salvador Samayoa, and Oscar Acevedo denied that there had been a change of attitude by Mexico toward the organizations they represent, and said it remains fundamentally fair because the French-Mexican recognition of the Salvadoran rebels as an alternative has not changed.

They said the Christian Democratic government does not know the causes of the reality of the civil war in which the country has been immersed for the past 4 years. They added that despite the differences that arose in the second encounter at the Catholic retreat of Ayagualo, near the capital, both parties showed a willingness to continue the dialogue. It is still not known when or where the third round of talks will take place. They said contacts would be made this month to determine that.

They indicated that in Ayagualo there were greater difficulties in understanding because they were discussing basic problems and the presentation of concrete proposals for agreements, while in La Palma, a Salvadoran town where the first meeting took place a few weeks ago, there was a festive atmosphere because there were high hopes for peace.

The representatives pointed out that there were threats from rightist organizations to break up the dialogue. There was also military and paramilitary pressure from those who were unaware of the strength of the FMLN in the country and who opposed negotiation. For the second meeting, Duarte must have persuaded those forces of the need to attend. They also emphasized that the outlook for an understanding and for avoiding conflict in the negotiations depends on the circumstances and policies of the Reagan administration.

The FMLN representatives said their peace proposals, unilke those of the government, are comprehensive and take into account the causes of the conflict as well as Salvadoran reality. They concluded that the solution process not only involves the government with whom we are negotiating, but it also requires the participation of all social sectors including the Army because the prolbem is comprehensive.

FMLN SEEKS TO HAVE LA PALMA DEMILITARIZED

PA060336 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1830 GMT 5 Dec 84

[Station commentary: "La Palma: Birthplace of Peace in El Salvador"]

[Text] Radio Farabundo Marti once again denounces the Duarte administration's intransigence in the efforts to achieve peace for the Salvadoran people. Duarte refuses to take steps in favor of a political solution to the conflict. As part of his antipopular and irresponsible conduct which proves that he does not want peace for the peoples, the regime of Jose Napoleon Duarte has rejected the FMLN-FDR proposal to declare the city of La Palma, the birthplace of peace in El Salvador.

At the second peace meeting on 30 November at Ayagualo, the FMLN-FDR delegation proposed that La Palma, where the first peace meeting took place on 15 October, be declared the birthplace of peace. Our fronts also proposed that rebel and government military contingents be withdrawn from La Palma. However, the regime claiming that the measures are unconstitutional and that it injures Salvadoran sovereignty, rejected our proposal.

The regime shields itself behind a handful of papers it calls a constitution to cover its inability to resolve the Salvadoran conflict. This handful of papers were drafted behind the backs of and against the people.

We urge residents of La Palma and all the Salvadoran people to support our proposal and struggle to have the city of La Palma be declared the birthplace of peace.

All the people: Struggle to demilitarize La Palma! All the people to struggle for peace! We want peace with dignity!

FMLN TRAVEL BAN IN EAST TO LAST UNTIL 7 DEC

PA061419 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 6 Dec 84

[Text] Attention: We urge drivers to refrain from traveling along the roads in the country's eastern region. The paralyzation of the country's transportation will last until Friday. Transporters must abstain from using the roads in the east on Wednesday and Thursday. We repeat: The paralyzation of the country's eastern region will last until Friday of this week. Transporters and drivers must stay away from the country's eastern region during these days. The paralyzation of transportation has been extended until Friday of this week.

FMLN DESTROYS ANOTHER COFFEE PROCESSING PLANT

PA060441 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 6 Dec 84

[Text] Attention, attention Salvadoran people. We have received the following information from the Francisco Sanchez Southeastern Front. Attention to this information. Our guerrilla forces have struck another important blow to the regime's war economy, to the economy of the bloodsucking exploiters. This is the war bulletin issued by the Commander Gonzalo group, the Rafael Arce Zablah Brigade's southern group. The bulletin states that at 2300 on 4 December an FMLN guerrilla unit of the Rafael Arce Zablah Brigade sabotaged the war economy of the dictatorship, the economic power of the oligarchs. During this operation the group occupied the [name indistinct] coffee processing plant owned by Juan Schonenberg which is located near Santiago de Maria. During this operation the plant's most important machinery was burned. Approximately 10,000 quintals of (?powdered) coffee and a car that belonged to the exploiter were also burned.

This is our answer to the coffee producers who refuse to pay fair wages. This is the answer of the workers who are up in arms to the pitiless exploitation of the rich oligarchs. This operation was carried out by our revolutionary forces right under the nose of the ill-named Atonal Battalion which, according to Armed Forces Press Committee [Coprefa] is efficiently protecting the property of the rich in Santiago de Maria and in the southeastern areas of the country.

We hit them in Morazan, we hit them in San Salvador, we hit them in the west, we hit them in the southeast. The enemy is squashed and confused. No land owned by the rich landowners is safe, despite the presence of battalions like the ill-named Atonal Battalion. Our forces continue to strike all over the country.

It has been confirmed that the coffee processing plant owned by the oligarch Juan Schonenberg was one of the most important in the country. The losses are estimated at several million colones. The exploiters who will not obey the orders of the FMLN had better look into the mirror. We warn you that just as we destroyed the Levy coffee processing plant, just as we destroyed the Schonenberg coffee processing plant, just as we destroyed Prudencio Llach's coffee and the property of the oligarchs with all of those funny surnames, we will carry out actions against any landowner, anywhere in the country, who does not obey the orders issued by the FMLN.

HONDURAS

FINANCE SECRETARY ON TALKS WITH U.S. OFFICIALS

PA061340 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 5 Dec 84

[Text] Manuel Fontecha, Honduran secretary for finance and public credit, has described the talks between a Honduran delegation and senior U.S. Government officials in Washington as highly positive. During the meeting, they discussed matters of national interest. Here are his statements:

[Begin recording] [Fontecha] I attended the meeting as an economic adviser. The senior U.S. Government officials were highly receptive to proposals made by the Honduran Government regarding security and economic assistance.

[Reporter] Can you tell us what conclusions were reached, if any?

[Fontecha] I understand that the details of the results of the mission will be announced by delegation chief Ubodoro Arriage, who will return to the country soon. However, I can say that one of the principal achievements of the delegation was the fact the U.S. Government appointed a corresponding high-level commission that will analyze our government's proposals on national security and economics. We understand that the first meeting of this joint commission will be held in Tegucigalpa by mid-December.

[Reporter] What are your specific conclusions?

[Fontecha] The Honduran Government feels that strengthening our economy is fundamental and cannot be separated from national security. We don't think it is possible to effectively maintain security in the country if our economy is not strengthened at the same time, because a country in economic trouble is easily penetrated by extremists, as we have seen happen in Central America.

[Reporter] Will a foreign military base be installed in Honduras?

[Fontecha] As far as I know, no mention was made of military bases during the talks. However, we did stress the need to revise the existing assistance and defense treaty. As far as I know, some parts of this agreement are obsolete because the agreement was drafted in 1954. No mention was made of the installation of military bases. At any rate, this will have to be negotiated according to procedures established by Honduran law.

[Reporter] Will we receive greater economic support from the U.S. Government?

[Fontecha] U.S. Government officials appeared to be willing to continue giving economic assistance to Honduras. We feel that in addition to receiving more economic aid from the United States, we will also be benefited by an acceleration of the disbursement procedures for economic aid to Honduras which has already been approved, but not yet been handed over to Honduras. We feel that if we succeed in expediting these disbursements, our national economy will be strengthened significantly. [end recording]

Commentary Supports Talks

PA062313 Tegucigalpa Domestic Service in Spanish 1130 GMT 4 Dec 84

[Station commentary]

[Text] It is unbelievable that there could be Hondurans who constantly attempt to smear the country's government with the epithet of "subservient," only because, to their minds, all negotiations in which Honduras engages as a sovereign state with another country on the American continent or elsewhere, but especially with the United States, must by necessity be conducted in a framework of subservience and surrender.

This unilateral rule for judging events leads them to issue grotesque, irresponsible, and sometimes monstrous statements that are completely at odds with the decorum and ethics that should be obligatory trademarks of those who write or speak through the media. In this case, to say that our top foreign policy leaders negotiate with the United States as representatives of a small and subservient country is to lie. When our president appointed a high-level commission to make an overall proposal to the United States to improve the bilateral relations between the two countries, he did so with the idea that Honduras should protect its sovereignty and always maintain its dignity in its relations with other states, which is the proper way to act within the international community and in today's world. At no time did we act with a subservient mentality. On that occasion the critics took it upon themselves to state that the United States was not in favor of the revision of the treaties and even that Ambassador Negroponte, resenting it, no longer needed the presidential house. [sentence as heard]

Now, they say that to ask for a revision of the treaties is an act of surrender. How can one understand or please these gentlemen? With regard to the functioning of the Regional Military Training and Security Center at Puerto Castilla and the joint military exercises between the Honduran and U.S. Armies, they say that the United States has set up the exercises with a view toward using Honduras to develop its war economy.

On several occasions our government -- and our highest military officers -- have explained this matter, indicating that the goal is to professionalize our Armed Forces, with a view toward protecting our national territorial integrity and everything related to our national security, to which we are entitled as a sovereign and independent country. The ex oficio critics point out that since our government officials do not know how to negotiate they might give in to the big countries, thereby losing the possibility of a sincere friendship.

The appointment of the high-level commission to propose to the United States a formula to improve the relations between the two states is intended specifically to provide for honorable, decorous, and dignified negotiations between the two nations, so as to achieve a sincere friendship instead of the subservience of lackeys.

One of those omniscient analysts has commented that the United States does not think that the Honduran democratic process is worth much, which is demonstrated by the first setback suffered by the Honduran Commission, headed by a military officer in Washington. Undoubtedly, he is alluding to a comment by a State Department official to the effect that the Honduran demand for an increase in economic assistance is excessive. However, this analyst has forgotten that this remark came from an isolated State Department official, who is only that, and not the U.S. Government.

We are expected to believe that the United States wants to push us into civil war by denying us economic assistance. What an absurd thesis!

As if the United States would benefit from an internal conflict in Honduras, and as if it sufficed for the United States to decide to unleash such a war in our country for it to occur. Well, this is a democracy, and whoever wishes to set himself up as a seer has the right to meddle in foreign policy affairs and even to talk nonsense.

NICARAGUA

ORTEGA SETS UP ETHNIC AUTONOMY STUDY COMMISSION

PA062255 Managua Radio Sandino Network in Spanish 1200 GMT 6 Dec 84

[Text] Daniel Ortega Saavedra, commander of the revolution and coordinator of the Junta of the Government of National Reconstruction, announced last night that a national commission has been set up to draft a bill guaranteeing autonomy to the ethnic groups of the Atlantic coast. Let us listen to the official communique read by Commander Daniel Ortega:

[Begin recording] The Junta of the Government of National Reconstruction reports to the Nicaraguan people and the international community that it has set up a national commission to draft a bill guaranteeing autonomy to the ethnic groups of the Atlantic coast. The bill will be submitted to the National Assembly for approval and incorporation as a constitutional law. The Junta of the Government of National Reconstruction has appointed Commander of the Revolution Luis Carrion Cruz as chairman of the national commission. The commission will also be made up of the following citizens: Orlando Nunez, Ray Hoocker, Gali Burdean, Jaime Lau, and Manuel Ortega.

Issued in Managua, on 5 December 1984

Signed by the members of the Junta of the Government of National Reconstruction [end recording]

Luis Carrion Cruz, commander of the revolution and deputy interior minister, promised to assume with responsibility the mission which the revolutionary government has entrusted to him.

[Begin recording] On behalf of the companeros that make up the commission, I want to say that we are taking up the responsibility entrusted to us, determined to fulfill our duty as best we can. In my opinion, the commission is capable of fulfilling its mission. It is made up of companeros who can make a valuable contribution to the commission's work due to the various viewpoints and experiences they bring with them. As for the objectives outlined, the commission intends to obtain and study the views and criteria of all sectors and persons directly involved in this problem. In particular, we will seek the views of Miskitos, Creoles, Sumus, and other residents of the Atlantic coast.

To that end, the commission's work will be to coordinate and guide a process involving a broad participation by the people. That is to say, we do not want to come up with an artificial proposal; we do not want to come up with a proposal that is the result of bureaucracy [words indistinct]. Instead, we want a proposal [words indistinct] genuinely and directly the feelings of the Nicaraguan people.

Our work will be guided by two main objectives: the general interests of the Nicaraguan nation and the special interests of the ethnic groups of the Atlantic coast.

[Words indistinct] in the declaration of principles to a legal statute on autonomy. We therefore feel that the creation of this national commission is the culmination of a process to vindicate the Atlantic coast's ethnic groups, which began with the revolution itself and that only the revolution can and will fulfill [words indistinct]. [end recording]

NUNEZ ADDRESSES FINAL STATE COUNCIL SESSION

PA060326 Managua Radio Sandino Network in Spanish 1200 GMT 5 Dec 84

[Text] For 5 years the State Council has been a power where the majorities and minorities were represented, and it became a national forum for political and ideological debates, according to the principles of the Nicaraguan political pluralism. This was asserted yesterday by Commander of the Revolution Carlos Nunez during the solemn ceremony to close the State Council activities. The State Council left important laws, which were approved during 5 years of parliamentary activities, that will serve as juridical norms.

[Begin Nunez recording] During the development of our legislative activities and in addition to carrying out the complex task of drafting, discussing, and approving a fundamental part of the juridical framework for out institutional process, we studied and approved, among others, the following laws:

A. The law for the protection of consumers. Within the regime of a mixed economy, it represents one of the instruments used by patriotic sectors of the nation to counter foreign aggression and shortage problems, one of its most direct effects.

B. The law granting social security benefits and other social benefits to the combatants who defend our homeland and sovereignty. This law included all of the legal measures that had been previously approved in this sector, adjusting them to the grave situation of an undeclared war that is being withstood by our homeland.

C. The law on the system for air raid warnings, whose main goal is to protect the people and economic resources throughout our territory. It will be used to warn of air raids that might eventually be launched against our country in a situation which has been termed the most dangerous ever faced by our nation. Its main plans are based on the real threat of a direct intervention by U.S. Marines.

The State Council's efforts and work to divulge our government's position in the quest for peace in Nicaragua and the Central American region has been stated in documents whose contents were revealed at national and international levels. Our efforts contributed to the adoption of resolutions and agreements by important parliamentary forums at the world level on the European and American Continents. They advocated the search for political solutions to the crisis in our region and advocated the Contadora Group's efforts and the Nicaraguan people's right to self-determination and defense.

Summarizing, 319 laws were approved through legislation; 168 were initiated by the State Council and 151 were initiated by the Junta of the Government of National Reconstruction. Of these, 56 laws were of a social nature, 9 of a military nature, 34 of a cultural nature, 109 of a political nature, 65 of an administrative nature, 36 of an economic nature, and 10 of a judicial nature. [end recording]

The State Council granted a pardon or reduced the sentences of more than 100 prisoners as specific proof of its humanitarianism and generosity. The pardons were granted due to the quest by Sandinist People's Revolution for national unity and a result of its political nature.

Regarding its international policy, the State Council occupied important posts several times because it was part of well-known parliamentary organizations.

[Begin Nunez recording] Since 1981 we have been members of the Interparliamentary Union, the highest parliamentary organization in the world, in which 103 world parliaments are represented. We have also participated in the 66th, 67th, 68th, 71st, and 72d Interparliamentary Conferences, with the conviction that the parliaments and their international organizations must be active and practical instruments to forge decisions regarding international relations. We confirmed this during our recent participation in the 62d Interparliamentary Union Conference in late September of this year. We were able to ascertain that this high organization approved the proposal regarding the Central American crisis. During this important forum we obtained, with the support of the Contadora Group member-countries and the peoples of the world, an undeniable political victory. The topic of the Central American crisis was included in a resolution which advocated peace and the use of dialogue and negotiation as the only ways to solve the crisis, [end recording]

The State Council's work has concluded and the National Constituent Assembly must now continue with the next phase of the juridical, political, economic, and social transformation of the country, said Commander of the Revolution Carlos Nunez Tellez.

[Begin Nunez recording] A new constituent parliament has the complex, difficult, and strategic task of drafting the political constitution of Nicaragua during the first 2 years of its mandate. The new parliament will legislate during the upcoming 6 years based on the executive branch's and its own initiative. The new parliament will have fundamental differences with the State Council. The National Constituent Assembly will have full legislative purviews and all of the political parties will be essentially represented through their parliamentary members, which will be elected by the people in a free, secret way.

The National Constituent Assembly will also be different from traditional assemblies in other countries. Our assembly will have to be more dynamic and belligerent regarding national and international problems. It will seek to strengthen the revolutionary process and respect the purviews and responsibilities of the other three state branches, based on the need to combine and exchange viewpoints, in order to fulfill all of its tasks in the best possible way without forgetting that the four state branches in Nicaragua are the expression of one power: the people's power. [end recording]

POTABLE WATER LEVELS RUN LOW FOR MANAGUA AREA

PA060318 Managua Radio Sandino Network in Spanish 1200 GMT 5 Dec 84

[Text] Due to the growth in Managua's population, the demand for water is greater than the capacity of the sources to the extent that the level of Asososca Lake has dropped considerably this year. This can even generate contamination, said a visibly preoccupied engineer Ottoniel Arguello, minister director of the Nicaraguan Waterworks and Sewage Institute, INAA.

After reviewing the lake's situation, he said it is the capital's main water source with a production capacity of 16 million gallons per day. He added that during the first days of January 1980 the level dropped quickly, and a call was issued during those days, urging the people to save water; immediate results were obtained. At the end of the summer period, the level dropped 30 cm only; this represented a minimum figure if compared with levels from previous years.

Several well were reactivated during that year in neighborhoods like Christian Perez and Central America; some wells were dug in the neighborhoods of San Cristobal, San Judas, and Camilo Ortega.

In addition, damaged meters were replaced and broken pipes repaired to create new sources of water and prevent the loss of this vital liquid. The situation was overcome due to the people's positive reaction when asked to save water. Companero Arguello pointed out.

In 1983, the situation was even more critical. Water was available to all sectors and, for the first time since the revolutionary victory, Asososca Lake's level dropped. The government enforced measures to redistribute the water. Asososca Lake has lost all its reserves; the level is currently between 34 and 35 meters above sea level, and this can lead to possible contamination. The INAA hereby issues a call to the capital's population to save water.

MISURA OPPOSES SANDINIST-U.S. TALKS AT MANZANILLO

PA060342 Panama City ACAN in Spanish 2127 GMT 4 Dec 84

[Text] Tegucigalpa, 4 Dec (ACAN-EFE) -- The Nicaraguan Indian rebel organization Miskitos, Sumus, and Ramas [Misura] today voiced its opposition to the talks underway between the Sandinist regime and the United States in Manzanillo (Mexico).

In a communique, Misura charges that "those talks are doomed to failure for not including the opposition forces fighting in the Nicaraguan mountains against Sandinism. The Misura communique, signed by Teofilo Archibald, of the political-military directorate, also condemns the United States with its negotiating eagerness "as there can be no negotiations with the communists."

"It is unfortunate that the North American allies should insist on negotiating with international communism, the communique states, as the facts show that they (the communists) always obtain geopolitical and territorial advantages in every negotiation."

It also blames the United States and other Western powers for having turned over to the USSR "half of Europe at the Yalta conference, and Vietnam and Cuba through different negotiations." Misura also calls on all forces involved in the struggle against the Sandinists "not to permit the United States to turn Nicaragua over to the Soviets."

The rebel groups fighting Sandinism in Nicaragua are the Misura on the Atlantic coast, the Democratic Revolutionary Alliance (ARDE) in the southern sector, and the Nicaraguan Democratic Force (FDN) in the north and center of the country.

CASTRO SPEAKS IN HAVANA AT FIRST ENERGY FORUM

FL050314 Havana Domestic Service in Spanish 0200 GMT 5 Dec 84

[Speech by President Fidel Castro at the first energy forum, held in Havana's Karl Marx Theater -- live]

[Text] Distinguished guests, dear comrades:

The objective of this forum, the intense process by which it was conducted, was in the first place to create a profound consciousness regarding energy problems, to analyze the measures adopted, elaborate new ideas, concepts, and ways of saving energy, to analyze the perspectives of energy development in our country, and how we should work in that direction.

I believe that meetings that took place -- 48,000 local meetings, the meetings at the local and provincial level; the 87,000 agreements and suggestions that were adopted at the local level; the 3,283 reports; the 677 reports that were brought before the forum's tribunal; the reports that won awards; the discussions; the participation of the delegations that have been meeting here for these days; the idea of enthusiasm and seriousness with which the work has been carried out in this direction...[does not complete sentence]

For my part, I am going to take the opportunity of this invitation to make the concluding speech at the forum to speak with you, with our workers, who are listening to us, and with our people about these subjects of energy, of the vital importance of the saving of energy, and not only about the saving of energy but also about the necessity of saving material and of saving in all aspects, and to which I am going to add some final conclusions about the way in which we should work in this field, and in the field of economics in general.

I believe that in this way, in this meeting, we (?will reach) very important conclusions for the future of our country. I believe it would help our country to comprehend the importance of this subject if we analyzed some data, beginning with electricity.

How the generation and consumption of electricity has increased! In 1968, our country had a generating capacity of 397 megawatts. For the people to better understand what a megawatt is -- you [in the audience] know perfectly well -- it means 1,000 kilowatts. Before, they designated generation capacity in 100,000 capacity or 200,000 or 300,000. The figures however, got so large they began using megawatts instead of kilowatts. In the same way that they do not measure the distance from Havana to Santa Clara in meters, or perhaps they never measured it in meters, but rather, it is measured in kilometers. No one today says it is 300,000 meters from Havana to Santa Clara but 300 km from Havana to Santa Clara.

This is now taking place around the world in electricity and in many other areas, and naturally in electricity [as heard]. Now, in order to clear up some concepts, I want to tell you that when the term conventional tons of fuel is used -- sometimes the terms tons of petroleum and conventional tons are used in order for the public to understand the terms the same way all of us learned them in order to understand what a conventional ton meant -- it means 100,300 kilocalories. We then have to explain what kilocalories means, well we can well, imagine that. [laughter]

In our case, this is equivalent to the energy contained in a ton of fuel oil [preceding two words in English]. This measure has been adopted here, other countries have other measures, instead of 100,300, they use 7,500 kilocalories. In Cuba, we have adopted 100,300 conventional tons as equivalent to a ton of fuel oil. [as heard] Some fuels have slightly more, others slightly less, but this approximates one to . of petroleum. These measures are used because fuels vary considerably. If, for example, we wish to compare a ton of molasses to what caloric energy it contains, we must use a measure, saying it has approximately 2,500. Then one knows that a ton of molasses is the equivalent of some 250 kg of fuel of and that 4 tons of molasses is equivalent to a ton of fuel oil. All these energy measurements are important to understand.

Coal has its own measure, but all coal is not the same. At present, coal is mined which have come to 3,000 or 3,500, others have much more 6,000, 7,000, and so on. In order to standardize and have a clear idea of the value of each of these sources of energy, the terms kilocalorie or the conventional ton are used. You all know this, I am not talking to you about this, but to the people who are listening.

How has energy and especially petroleum and its derivatives consumption risen in our country? Let's start with electricity. The installed capacity was of 397 megawatts as I have already said. That is 397,000 kilowatt hours, this is the generating capacity of all of our plants.

Over the past few years, a very intensive investment program has been conducted which was not enough, because of an increase in consumption. You remember the number of electrical outages which occurred, especially in the west, in Havana in years past.

This happened because all the power plants which were built did not suffice, because the so-called electricity peak or electrical crest grew so much that it brought on outages due to insufficient power generation.

That peak rose in 1982 to 2,333 megawatts, that is, it increased six times. That must be added to any unit which has been operating since 1983. There are two figures, some say that it grew 5.9 times, and others that it grew 6.2 times in installed capacity, it is possible that the 6.2 figure refers to the year 1984. This is a considerable increase.

The maximum demand during the night -- I believe it is night now -- grew from 343 megawatts to 1,673 megawatts. Another notable increase. According to statistics, the number of consumers in 1958 was 614,000. The present number of electricity consumers comes to 1,633 million homes, not people. This means that approximately 50 percent of the population, the way it was 56 percent, had electricity before the triumph of the revolution. Currently, more than 86 percent of the population has electrical service.

Not only did residential consumption rise, but industrial electric consumption rose. Practically all industries consume electricity, from refrigerators to textile industry plants, numerous manufacturers, and food industries. Social development also required a considerable increase in consumption. Schools, nursery schools, boarding schools, all-day schools, universities, hospitals, clinics, and stadiums all demanded a considerable increase in electricity. You also have to take into account agriculture and livestock farms, almost all of which need electricity. Warehouses also require electricity.

All of them not only required large amounts of investments into the thermoelectric plants, but also into the distribution networks. The 220-volt lines did not exist before the revolution. Today, there are 220 lines extending over more than 1,000 kilometers. The 110-volt lines covered some 550 km, today they cover some 3,500 km. Before, there were some 12,000 km of 33 volt-lines, or less, today the figure is 40,000.

Per capita electricity consumption has increased considerably. Included in this per capita figure is residential consumption, but the per capita figure also takes into account the country's total consumption, where each person is apportioned a part of the electricity. For the number of electrical home appliances which exist today, you need only point to one figure. In the 1981-83 period, more than 2,300,000 electrical home appliances were distributed to the people. That only takes into account such appliances as: 490,000 televisions, 232,000 refrigerators, 388,000 washing machines, more than 700,000 irons, everyone knows how much energy they consume, more than 400,000 fans, and several thousand air conditioners. Thes are just some of the figures. Other appliances are not included.

All these factors indicate a notable increase in electricity consumption. Electricity which is basically produced by petroleum. Each time we see a light bulb on, an appliance on, a television, or a fan running, means that they are using electricity produced by petroleum.

A percentage of the electricity is produced by the sugar refineries, at harvest time of course, but we are talking about systems. Now then, from a ton of fuel oil, the energy contained in a ton of fuel, how much of it is actually used in a power plant? In Cuba, out of every 100 kilocalories, 32 kilocalories are actually used, meaning 32 percent is energy. Caloric energy is converted into mechanical energy, and this in turn into electrical energy, therefore, only 32 percent of the energy contained in 1 ton is used. I mention this because it is an important point. Our system is still composed of relatively small units, and consumes more, or converts less, than the average socialist country, which is approximately 37.5 percent. We have different types of units, and they harness only 32 percent.

Of course there are thermoelectrical units in Cuba which consume more than 400 grams of fuel per kilowatt of electricity. The plants in Taya Pierda, En un Tendido, and I believe also the Regla, all consume more than 400. The units which are currently being installed consume less per kilowatt. We already have some which consume (?225) and I understand even as little as 220, but this is the stage they are at. We do have units in the system which use approximately double this amount of kilowatt fuel. We will be happy on the day that we can close some of those units, and keep them in reserve, or give them to the Antillana de Acero, or keep them for an emergency or something special, because they consume double the amount of fuel. The problem of how much fuel is used by each unit is extremely important.

We can also point out that before the triumph of the revolution, we consumed 398 grams per kilowatt. At present, 273.5 grams per kilowatt are consumed, although there is disagreement on this figure. Some say the 1984 figure is slightly less. But, we will take the more conservative figure of 273.5, and this is a considerable reduction per kilowatt when compared with what was used before the revolution.

At present, almost 3 million tons of fuel oil are used to produce electricity in Cuba. More than $500 million [U.S.], at the international price, is needed to produce electricity in our country.

Do we have any abundant energy resources to produce electricity? We do not have coal deposits, or important deposits of natural gas or petroleum. Because of the length and configuration of Cuba, we do not have large rivers to produce hydraulic power for our basic electrical demands. Many other countries have large rivers, ours are small and mainly used for agriculture irrigation, although we do have the Toba River, in the extreme eastern part of Cuba, which some calculate to have a 300,000 kilowatts capacity. I believe we should seriously think about how to use the Toba's power. We will have to diverge the river, but near it we are developing important nickel plants. All of our fuel to produce electricity is imported, and imported from a distance of more than 10,000 km. Most of it comes from the USSR, although we do produce a small amount of petroleum.

When you think of all of the machines which run on electricity, the dairies, warehouses, all the industries, and public services, and you understand how and under what conditions electricity is produced, I believe all this helps to make one conscious of the importance of saving energy, because petroleum does not fall from the sky like rain. This is important to remember.

Cuba's fuel production has developed very well. At the time of the revolution's triumph, we had a refining capacity of some 4 million, some say around 3.6 -- it is somewhere between 3.6 and 4.

These old refineries today process, after some repairs and improvements, approximately 6.5 million tons of petroleum. We do not refine all the fuel we consume, only approximately 60 percent, but of course, this can increase. After recent investments in Santiago de Cuba and Havana, the processing capacity increased by 1.5 billion tons. A refinery in Cienfuegos Province is under construction, which over the next 5 years should have a 3-million ton capacity to process our crude oil. About our crude we can say what Marti said about our wine: Our wine is sour, but it is our wine. Our oil is heavy, up to now, but it is our oil. It contains a considerable amount of sulfur but this can be extracted and turned into a source of sulfur. We may also find deposits of light crude, but the second phase of the Cienfuegos refinery must have the technological capability to process our petroleum.

It is important to refine petroleum, because many products are obtained from it such as liquid gas, for domestic use, gasoline, for industrial use, and various fuel grades in different proportions. Fuel consumption has increased considerably, rising from 3.5 or 4 billion tons before the revolution and in 1958, to more than 10 billion tons at present. Consumption has increased differently for various products, and I am going to give several examples. Before the revolution 100,000 tons of domestic kerosene were used daily. At present, 600,000 tons are consumed. Before, 25,000 tons of liquid gas were consumed annually. Today, 100,000 tons are consumed, and it is still not enough. In the past 25,000 cubic meters of natural gas was consumed. Today it reaches 136,000, and it is not enough. Sometimes, when you go to a club or restaurant there are problems because there is not enough liquid gas for this increased need.

The per capita fuel consumption before the revolution was equivalent to approximately 533 kgs, today it is 1,051 kgs. This is per capita consumption, it does not mean that one drinks oil like beer or soda, but it is consumed. It is consumed by industries, hospitals, and schools, and in the transportation, production, light industry, food, and manufacturing sectors, and this figure is per capita. We have a population of 10 million, and consumption is more than a ton per capita. It is important to know about this matter, but even more important is to know how much fuel cost before and how much it costs now. I remember that when the revolution triumphed, petroleum cost between $15 and $16 a ton, but in 1973, before the spectacular price increase, it cost approximately $20 a ton, in other words, slightly more. Over seven barrels are in a ton of petroleum. The experts should know exactly, but I always figure in tons when someone talks about tons or barrels. If it is 1 ton, it is over 7 barrels. I tried to find out how many gallons are contained in a ton of petroleum, fuel oil, gasoline, or diesel, but it is almost impossible to know because they have different volumes, and different weights. Fuel oil is heavier, and is much less in gallons. Gasoline weighs less, say per liter, therefore, a ton has more liters and gallons. This also changes for diesel and gasoline, it changes with everything. So I can not tell you a ton has a certain number of gallons. One can figure it out, but you would need a small computer. But, we do know that in oil, the ton makes over 7 barrels. In 1973, a barrel of crude petroleum cost $3.22. In energy it is good to speak of dollars instead of pesos, which are also measured differently. To be clear, let us speak in international prices. In 1982, the barrel of oil cost $32.80. It increased suddenly in 1973, 74, 76, and reached that price. Oil prices increased tenfold between 1973 and 1982.

Let's assume the dollar also declined somewhat. But doubtlessly, one would need to make calculations, international oil prices increased between six and eight times. I am making conservative estimates. It is incredible, no product, no raw material, no good in the world reached these drastic increases. It never happened with an energy component or transporter, with no raw material.

Naturally, to develop countries which imported oil, this meant a disaster to add to the disasters they already had. The disaster of unequal exchange or low prices for its products was compounded by the oil disaster. I know of countries which imported 1 million -- African countries -- 800,000 tons. When the price increased abruptly, one figured out how much all of its exports cost.

Take, for example, a country like Tanzania, a friend of ours, a respected African country: They exported hand-picked cotton, henequen cut plant by plant, you know how the henequen is grown, maranon seed is picked one by one, Zanzibar clove, which is picked from tall trees, flower by flower, some coffee, because its climatic conditions are not very favorable for that product, and some cattle. When you added the value of all those exports it was not enough to pay for the 800,000 tons of oil. It is incredible how there are some countries that have to make a living, leaf by leaf, plant by plant, seed by seed. For a consumption over ten times less than Cuba's in a much larger territory, where people have to be transported to the products. And with a population almost one and-a-half times larger than Cuba. I am giving you an example because this happened to many countries. The prices of their export products remained the same or dropped. Any kind of imported product, a truck, tractor, industrial machine, increased. Industrialized capitalist countries immediately transferred the oil price increases to their exports. How much did the price of a 180 horsepower bulldozer increase? From $25,000 or $30,000 to $70,000 or $80,000. The price of tractors, trucks, equipment, etc., increased the same day.

Industrialized capitalist countries transferred the oil price increase to exporting products. The non-oil producing developing countries saw that their product prices were maintained and they had to pay many times more for oil and had to pay several times more for imported products. That is the reality and the tragedy of many Third World countries. It contributed, along with the unequal exchange, to the restrictions. The imports of those countries' products the incredible increase of foreign debt, which in a few years increased from over 200,000 to 800,000...[changes remark] If you add the interest, imagine how those countries could solve their economic problems.

Therefore, one has to consider how oil prices have increased what we are spending at the world level, in international market prices: To travel a kilometer, to produce a kilowatt of electricity, these are the realities. Because of other reasons, it has affected us much less. Of course, the price of a 180 or 200 or 300 horsepower bulldozer affects us, or the price of some transportation equipment, machinery, and all that. Because of our relations with socialist countries however, and especially because of our relations with the USSR and the type of exchange we have, we could better bear this catastrophe, which for the Third World countries meant all these factors, including fuel price.

Any country, every country has to face the energy problem in the future, any country. But an oil-importing developing Third World country must face much more. Even countries with great energy resources are making big efforts. Of course, oil has been consumed in an irrational way. It was being misused. Such a cheap product... [changes remark] Many industrial countries stopped consuming coal and started to consume oil because of its low cost. It did not cost a lot to produce oil, the production cost was sometimes $6 or $7 per ton. The problem with oil is that it runs out.

Oil is a nonrenewable source of energy, which accumulated in the earth over hundreds of millions of years. It is said that petroleum began to accumulate 300 million years ago. Man however, has been using it up in 100 years. At the rate he was using it, it would last 100 or 120 years. Consumption increased barbarously, year by year to a rate of about 3 billion tons per year. The consumption rate doubled and doubled again.

At the end of World War II, it was a few hundred million, perhaps 200 or 300 million. In the year 1959 or 1960, it was less than 1 billion. Each 5 or 6 years, it doubled. [Words indistinct] perhaps someday man will consider this period as one of humanity's most atrocious periods of irrationality and waste. These resources could be useful for many things. It was used or has been used to produce steam for steam engines, which use only about 30 percent of the caloric energy and pollute the atmosphere. It has been wasted in an atrocious manner.

Perhaps the only positive thing about that increase, apart from the fact that it meant very large revenues for certain countries, much of which ended up in the banks of capitalist developed countries, what was positive about it is that it signified an awakening and a desperate search for other formulas that could give way to the prolongation of the existence of petroleum for much more time.

However, countries that are rich in energy resources, such as the Soviet Union for example, which is the world's richest country in energy resources...[changes remark] First, its hydraulic resources are abundant. The Soviet Union has 50 percent more hydraulic resources than the United States. And these resources have been used from the first dam at the beginning of the revolution to the present. And they continue to complete numerous hydroelectric projects.

The Soviet Union produces about 620 million tons of petroleum per year. It has been calculated that that figur could be as high as 630 at the end of next year. The figure is between 620 and 630 million tons.

The Soviet Union produces about 600 billion cubic meters of natural gas each year. It is estimated that next year they will produce 630 billion cubic meters of natural gas. To have an idea, once again, of what a cubic meter of natural gas is and what 1,000 cubic meters of gas means, I can tell you that 1,200 cubic meters of gas have approximately the caloric power of 1 ton of petroleum. If they tell you 1.2 million cubic meters of gas you can call it 1,000 tons of petroleum. If they tell you 600 billion cubic meters of gas per year, it means approximately 500 million tons of petroleum. If we add up the petroleum and gas we see that the USSR produces approximately more than 1.1 billion tons per year.

Now the petroleum extraction requires increasingly higher investment per ton. In the USSR they are developing gas rapidly, at an accelerated rate. They even have plans so that in a relatively short time they will have 1 million trucks running on liquid gas or compressed gas, with all the necessary distribution stations. It is seeking ways to save oil.

It has possibilities, proven reserves and potential reserves. They are exploring the edges of the Arctic region, but each new increase in petroleum production is at a higher cost and in very remote areas. But it has enormous resources.

The Soviet Union has approximately 40 percent of the world's coal deposits. The quantities of the different kinds of this solid fuel are measured in trillions of tons. A million millions is called a billion. There are two kinds of billions: the Spanish billion and the U.S. billion. The U.S. billion is 1,000 million, the Spanish one is 1 million million. I remember this from primary school. A million million is called a billion. Others call it a trillion. But to understand each other, and speaking with Soviet leaders and Soviet planning leaders, I always ask them about these subjects.

One of them calulated that about 5 -- let's call them billions -- 5 times a million million, to give an idea: Consuming each year a thousand million tons -- the Spanish billion -- of solid fuel is equivalent to 1000 years of consumption. [as heard] They have an enormous quantity of energy resources. I have mentioned water, gas, biomass. They are also using biomass to produce gas. And despite these enormous resources, the No 1 concern of the Soviet Union, as it should be for a socialist state, a state that is not thinking about the short range, about the next 20 or 30 years, but rather about the future, about the coming generations, the basic center of its efforts today is energy conservation and the development of new energy sources.

The Soviet Union was the first country to use atomic energy for peaceful purposes because the first small electro-nuclear power plant was produced in the Soviet Union if I correctly recall, in 1953.

Then they began their nuclear energy development programs and now they have an intensive, highly secure nuclear energy development program. Of course, they invest much more in each reactor and in the means of protection so that if the radiation permitted by the body is 100 units of something [also], what there is around the nuclear plants is 1, that is, the normal level plus 1, the tolerance margin being 100. They have developed very safe designs and plants, which of course demand much larger investments. They are broadly developing nuclear stations and carrying out a broad nuclear development research program. They are even using nuclear energy in some places to heat water and provide heating. There are large cities -- of between 300,000 and 1,000,000 inhabitants -- which are already being heated by nuclear energy, and they are combining, what could be called cogeneration, to put it in the terms used at the forum, of heat and electricity. They are already building dozens of nuclear energy units for these purposes -- electricity and heating.

It is a cold country. They estimated that for heating purposes alone they are investing the equivalent of 400 million tons of conventional fuel. I think that the conventional Soviet fuel [yields] 7,500 kilocalories, or perhaps a little less. However, it must be the equivalent of some 300 million tons of our conventional fuel. This is only for heating purposes.

This is a substantial amount. However, they are struggling to economize. Every 5 years many gas and oil pipelines are built. They are trying to have better boilers, better installations. Virtually the entire country is linked by the electricity network, by the gas pipeline network but despite this, there are tens of thousands of community boilers, which use up much more, several times more fuel per home than the most modern boilers.

They are consistently struggling, and making enormous investments, in a bid to save fuel, particularly hydrocarbons. And this is the country with the largest amount of reserves in the world.

Should we, or should we not be concerned over the energy problem? Should we, or should we not be concerned about economization? We do not have such water, gas, coal, or oil resources. Should we, who bring oil from a distance of over 10,000 km, be or not be concerned about saving energy in today's world, in which the price of oil has risen so much? Not only that, but this is a question of great economic importance, of elementary common sense, of elementary consciousness about the value of things, of elementary discipline in the use of the resources we have.

How should we face the energy problem in the future? This is a question all of us must ask ourselves -- all of our peoples, all workers, all of our youths, all of our students, even our pioneers. They must become conscious about energy and the fact that it is their future. They must ask themselves how they are going to produce electricity, heat, and transportation in the future. Even children must ask themselves this question in our country, more than in any other country.

How are we going to work? In the first place, we must continue with our efforts to make our thermal units more efficient. However, this forms part of the overall set of measures you have analyzed and which I am going to list in broad terms. First, we must pay full attention to nuclear energy. Fortunately, we are already building our first nuclear power plant, which will have four units with a capacity of some 450 megawatts each. Each unit will generate electricity in an amount equivalent to that which can be produced with 600,000 tons [as heard] of oil through conventional methods. That is to say, each unit will save 600,000 tons of oil. When the four units [are completed] the country will save in oil -- that product which is more and more scarce every day, that rare product, that product which had been wasted up to now, that product which comes from such a long distance -- 2,600,000 [not further clarified].

To give you an idea of what a nuclear power plant saves in transportation costs alone, suffice it to say that one of these reactors operates with a few tons of enriched uranium. It can travel in a railroad car. This example appears in the book by Tikhonov, president of the USSR Council of Ministers. He explained that to save a few... [changes remark] To generate heat in a city, they are generating nuclear energy equivalent to the use of 1 million tons of oil. To move the 1 million tons of oil they would need 50,000 cars, 50,000 railroad tank cars. Moving 1 million tons requires a trip by 50,000 railroad tank cars or 50,000 tank car trips. However, a single car can carry the nuclear fuel required to produce that much energy. A single car.

I think this gives you an idea of what can be saved in transportation costs alone. Imagine the transporting of oil a distance of more than 10,000 km by ship. We began with ships of 20,000-30,000 ton capacity. For each 1 million tons, 40 ships of 30,000 tons each were required. For 10 million, 400 ship trips would be required. A single ship, with a small part of its capacity, would bring all of the nuclear fuel required by that nuclear power plant. You can see now all of the savings this method alone entails. This is what this plant will mean to us.

This means that our future electrical development must be fundamentally nuclear, on the basis of nuclear energy. We are building the thermoelectric plant in east Havana and the thermoelectric plant in Matanzas. We are completing the one at Nuevitas and are beginning to build one in northern Oriente [Province]. We expect these to be the last ones, although we may install some plant in some place or another for reasons of adjustments, or whatever. However, once these thermoelectric units are completed, we must think only of nuclear plants. The one at Cienfuegos is already being built and studies are being made on the one to be built in the country's eastern region and a third one that will have to be built later on the country's western region.

Fortunately, we count on Soviet technology, on the assurance of Soviet equipment, and on cooperation and credits from the USSR to build those nuclear plants. Their construction is so complex that we will require a few hundred very qualified Soviet technicians to build them, particularly specialists in soldering, etc. These are our prospects.

Our future development must be based on the development of nuclear plants. As soon as possible, we must stop using plants that consume more than 400 grams per kilowatt. Not only do such plants use too much energy, they also contaminate the environment. We are going to benefit in every way because these plants are located in the centers of cities. Whenever the nuclear units begin functioning, we will be able to reduce the utilization of the thermonuclear plants. We would only use then at times of peak demand.

There is the combination of the electronuclear plants and the hydroaccumulators [hidro-acumulador]. This is very important. In Cienfuegos I explained what a hydroaccumulator is. Since those plants are in operation 24 hours a day for almost the entire year, there are times when they produce too much electricity. How is this utilized? In part we use them as a substitute for thermonuclear plants part of a day. We also use them to impel water upwards in order to accumulate it for use at times of peak demand.

Hydroaccumulators and the electronuclear plants have a common purpose, especially in our case, since we are an island and we cannot export electricity. In other countries, and in the Soviet Union, for example they have the advantage of having staggered peak hours: When the demand is great in Siberia, it is evening in Moscow. The peak hour shifts. This can be organized through a unitary system directed by computers. The entire production of electricity can thus be organized. The Soviet Union exports electricity to socialist European countries. It could also export electricity to Western Europe.

We cannot export electricity anywhere. If at a given moment we produce too much, we must transform the excess into something else to be able to later transform it back into electricity for use. This is one aspect. In the nuclear sphere the Soviet Union is not alone. There are many other countries. Some European countries, like France, have programs for the rapid construction of nuclear plants. Of course, this is taking place, primarily, in the industrialized world. Very few Third World countries have engaged in such plans. Nowadays there are many small countries that have no use for a 400 megawatt reactor and the reactors being built now are of the 600 megawatt and up to 1 million or 1.5 million megawatt type.

It has been proposed that smaller plants be built so that small countries and islands may be able to use this type of energy. One thing is a fact: Uranium is also relatively scarce, although it is true that there is a certain amount of it and that new fields are being discovered.

We have already mentioned ton percentage of fuel used by a thermoelectric plant. We utilize 32 percent and the socialist countries utilize an average of 37.5 percent. An electronuclear plant utilizes only 1.5 percent of the energy contained in a ton of enriched uranium. This is much less than the energy utilized from of a ton of oil. However, this energy is not lost, it can be transformed into another type of fuel.

In the most developed countries, scientists are working hard to produce the so-called fast-breeder reactors. These reactors are capable of utilizing 20 to 30 times more of the energy contained in uranium than the electronuclear plants can.

I believe that the oil crisis and the awareness that has been gained because of it, has served to speed up research to produce a technology that will function with basis on fast reactors.

There is a third category: [as heard] thermonuclear reactors. Efforts are also being made in this direction. This implies that an unlimited amount of energy could become available to produce energy. This is a possibility that research and science are opening for mankind.

There is a fourth category: nuclear reactors. Their objective is to produce intense heat for the metallurgic and chemical industries and for the production, possibly, of elements such as hydrogen. Research is going on in this field. This would permit the availability of fuel for automobilies, planes, etc, and would be much cleaner than gasoline and diesel.

In the future, man will march toward the production of easy-to-handle fuels through nuclear energy. The nuclear energy problem is greatly discussed in the world.

Man's first experience with nuclear energy was the dropping of bombs on Hiroshima and Nagasaki. There is also the risk of continuation, the residue, problem, etc. All this will be solved once nuclear energy is developed on a serious basis, and with responsibility and not from a strictly commercial criterion that calls for reduction of costs in investments, materiel, and so forth.

In the Soviet Union nuclear energy is not developed with this type of criterion. It is developed under the most responsible dispositions that the socialist state can implement to procure its technological development with safety.

This is a subject of great discussion throughout the world. Future generations will have to solve energy problems along this path, which of course will not be the only path. Meanwhile, we are working hard on oil exploration, on the search for oil and gas. This has been done since the beginning of the revolution, at the very beginning.

In 1959, we created the petroleum institute. The first Soviet ship carrying petroleum for Cuba arrived at the port of Casilda on 17 April. It was the (Vichinskiy). It arrived on 17 April, does that date tell you something? A ship docked at Casilda, that is, in southern Cuba exactly one year later, the Playa Giron mercenary expedition arrived in southern Cuba not far from Casilda. Since then, we have had the Soviet petroleum supply. It began with 4 million and has surpassed 10 million. [units not further clarified]

One would have to calculate how much Soviet petroleum has entered through Cuban ports in these past 25 years -- 24 and 1/2 years. We never lacked a ton of petroleum in this country. I think this is a very important matter we must bear in mind. [Cuba is] the only country... [interrupted by applause] of the Third World and the only developing country which did not experience the most minimum energy crisis, which has been the tragedy of so many countries, in these past years. They have also helped us very much in oil exploration, the development of cadres, geophysical studies, and all the necessary research involved in the search for petroleum.

One must bear in mind that at the beginning of the revolution we had only one university-level technician in the area of petroleum.

During those early days, we saw the arrival of some technicians from other countries -- Venezuelans, Mexicans, and so forth. Now, our country has more than 500 high-level technicians in the areas of oil exploration and exploitation. We also have more than 800 medium-level technicians and many more who are undergoing training.

The first deposit was found in Guanabo in 1968. In 1969, we discovered one in Boca de Jaruca. In 1971, we discovered the one in Varadero. We have been discovering various deposits, not too big but they add up.

Before the revolution we produced x amount of petroleum. I am saying x because there are two figures. Do you understand? Some say it was 27,000 tons and other claim the figure was 50,000. This must be established to be historically exact. One must establish if the figure was 27,000 or 50,000. There were six deposits. At the beginning of the revolution we looked into these areas.

Our production will reach 770,000 tons this year. There is a program to increase reserves and production to make production reach, by the end of the next 5-year period, 2 million tons per year. [applause]

We have been conducting thorough studies and vast exploration in the most promising area in the country: geological studies and exploration show that in the west, the Province of Pinar del Rio, there are large areas that have the right geological conditions for the accumulation of gas and petroleum.

The researchers and the technicians, Cubans as well as Soviets and other nationalities, even Mexicans, have been helping us in this exploration. They are optimistic and drilling is confirming these geophysical characteristics and these geological pecularities in this area.

There are already two wells, which are more than 5,500 meters deep. This is the deepest drilling ever done in the country. We need to do more exploration to find a few more wells and the country's west is a truly promising area for the production of gas or petroleum.

We cannot assume that there are deposits at this point; not until all research is finalized and it is absolutely confirmed. We must act as if an additional source of energy were nonexistent. However, we are working intensively to prepare ourselves for the possibility that those predictions might materialize. Even without these additional sources, our current production will increase to 2 million tons during the next few years.

We are also working on the construction of a port for supertankers in Matanzas Province. This will force us to build pipelines to carry those 2 million tons of petroleum and derivatives toward Cienfuegos and Havana because it would no longer be feasible to carry it in any way possible. This production was not expected, but projects to make the corresponding pipeline are already under way.

For example, if in the western area, a significant amount of gas should be found, we would also have to carry it through gas lines to thermoelectric plants.

However, we have to use what we have on hand. We will still have to import oil for an indefinite period of time. The importance of the supertanker port is seen in this fact.

Third, [as heard] we must consider the use of biomass. Currently the country's top and most important energy source is sugarcane. We practically import all of our other energy needs except for small amounts of oil, energy produced by the (La Nabanilla) hydroelectric plant, and firewood that we use. However, sugarcane bagasse today constitutes 29 percent of the country's energy sources. In other words, we are using some 29 million tons of bagasse. That is equivalent to about 4.5 tons of oil.

I believe that an important possibility was discussed in this forum. A very important one. I will further comment on the use of bagasse when we discuss energy saving. The optimal analysis and use of this resource is one of the country's future possibilities.

Other possible energy sources have been discussed and outlined here. The sun, wind, water, and biogas were mentioned. There has been work related to these sources. There has been work on biogas digesters to facilitate the use of cow manure. There have been some experiments on the possible use of solar energy. We have promoted the revival of windmills. There are plans for mini and micro-hydroelectric plants operated by Cuban-made turbines. I believe there are 134 projects and 7 of them are already built.

There is an intensive program aimed at exploring the possibilities of using mini and micro hydroelectric plants, because they can help solve problems in the country's most isolated areas and also constitute a strategic energy source for the country's defense.

Of course, all these program are in addition to possibilities that the Toba could have with research and implementation of all kinds of other possibilities without excluding a single one. I believe there are some 5,000 windmills that could be used to pump water and produce electricitity.

Research at the Science Academy in Santiago de Cuba must be accelerated without underestimating any energy source, especially solar energy and other renewable sources. The use of all these energy sources, regardless of potential is a part of a culture. I believe that we must continue to train personnel, especially for the future development of nuclear power. All these things demand our attention and increased efforts.

Where are our greater immediate possibilities? They are undoubtedly based on savings. We have already been implementing energy saving measures that have produced results. For example, it is said that as a result of efforts and discussions the grassroots level, as a result of Energy Commission efforts, and the understanding and support for workers, an estimated 212,000 tons of fuel were saved this year. Some examples were mentioned here.

An award-winning technician explained to me how he saved 600 tons in the Hermanos Diaz Refinery. He said that his work is increasingly difficult, because he is asked to further cut consumption. That is, he is saving even more. Truly serious work to save even more energy will come when the easiest possible sources have been fully exploited. The world has done it; both the socialist and Western world are doing it. This is reflected in statistics.

For example, even oil production has dropped because of the OPEC countries. Other countries increased production. In some countries, oil wells producing little because production was too costly when oil was valued at $15 per ton are now producing more economically because a ton is valued at $200. Many previously unprofitable fields have resumed exploitation.

I must stress other things happening in the world, in the USSR as well as in other countries. Oil exploitation techniques are very important, in fact, I would say that they are decisive. This is why I do not want to miss this opportunity to comment on this.

As for extraction techniques, and I refer to programs for the extraction of two million tons Companero Baybakov, chairman of the Soviet Gosplan, explained the importance of those techniques. He said that they have carried out explorations in many Soviet regions. He said that with the use of traditional techniques, only 10 percent of a well of heavy oil, of which the USSR has several kinds, can be exploited. With the modern techniques with which the Soviets have pledged to fully equip us, up to 60 percent of the oil can be extracted from a well. Therefore, oil extraction techniques are essential aspects of oil exploitation.

Well, I said that all countries are making great efforts to save energy especially in the wake of the crisis of 1973 or 1974, when it actually exploded. We are discussing incredible savings. The following is evidence of this: In 1979, OPEC produced 1,499 million tons of regular petroleum, that is 47.4 percent of total world production. Currently, it produces 869 million tons. That is a significant drop of almost half, that is 32.4 percent of world production.

Now, although other countries as a whole increased production in 1979, production totaled 3.128 million tons of regular petroluem in that year. In 1983, production totaled 2.675 million tons. Notice the significant drop from 3.128 million to 2.675 million. The world consumed 450 million tons less in 1983 compared to 1979. That is 450 million less during the past 5 years. Conservation is being sought everywhere through new technology and innovations mentioned here; through research of other kinds of fuel, such as coal, nuclear energy but mainly through conservation. It is very important to conserve. There was a drop of 450 million tons in 5 years.

I repeat, conserving energy is our greater immediate possibility. Implementation of electronuclear power takes a long time; extractions and exploration in the country's western area takes time, but there are possibilities for conserving.

In sum, I believe that the sugar industry is a good example of conservation; of conservation efforts and of energy conservation programs.

It could also be said that the habit of wasting oil had developed. In the past, we were not using the bagasse correctly. The easiest thing to do was to open the valve and let the oil flow. An energy conservation campaign was begun several years ago in Cienfuegos Province. In fact, a comrade lady engineer who is here now worked a lot on that and they wound up eliminating the oil valve in Cienfuegos. This is to say that the possibility of oil at the sugar mills was eliminated. [Cienfuegos] was the first province. It led the way. Then, this movement spread to the rest of the country. This savings in fuel or petroleum has amounted to 400,000 tons of fuel oil per year during sugar harvests of no less than 8 million tons. This much petroleum was used in harvests of 6 million tons. This means that we are not producing much more sugar and using much less petroleum. This is a large figure: 400,000 tons in fuel savings.

This encouraged the comrades of the sugar industry much in the suggestion of ideas, the drafting of plans, and in the search for solutions in this area. They set out to save another 400,000 tons of fuel oil, that is, the amount used in the production of refined sugar, at the alcohol factory, and at the Torula factory, as well as other areas of the [Sugar Industry] Ministry. Thus, they are planning to save another 400,000 by using the bagasse optimally. They have a realistic and viable program to save another 400,000 tons. These are not the only possibilities in this area. The sugar industry can produce much more energy and this is what they are studying. These savings do not involve much investment. The others may imply a bit more.

Based on a 9-million ton sugar harvest, it can be estimated that we can produce an equivalent of 2.5 million tons of oil. This is a gross figure. They say that perhaps it will be more. It will be achieved by drying the bagasse using the heat from the chimneys, by turning the bagasse into pellets [peletizacion del bagaso], and by using other residue of the sugarcane harvest.

We are thinking of using this bagasse not only for the sugar industry, but also as fuel for other types of boilers. If to this we add the idea of making pertinent investments for the use of high-pressure boilers, than it is possible that the sugar industry may give the country 2.5 million tons of petroleum, especially if it uses what it has more efficiently and uses bagasse in the production of paper pulp, wood pulp and so forth. This is a resource that promises as much or more than the 2 million tons of petroleum that we will extract in 1990. This is equivalent to 2.5 million of fuel oil. I think it is worthwhile to pay close attention to this program and to give it any support it may need.

We have spoken of an area that implies saving and also developing new sources of energy. Saving requires our greatest immediate attention. It implies saving in all areas. I think that the ideas, suggestions, and agreements of the rank-and-file meetings, the 87,000 agreements and suggestions, and what has been discussed here at this forum, the recommendations and the final declaration, can make a contribution that cannot be determined yet as to an immediate savings in the near future with few investments. I think the extent of this will mean a lot more as we look upon the future in regard to what we have to do in our country to save energy.

I think that this path must be cleared to make this country a truly energy-saving country, one of the most energy-saving places, because of the reasons I explained. The scarcity of those resources we have more obligations which are economic, moral, and revolutionary obligations. We like to be considered a revolutionary people. We are pleased with it. [applause]

I would even say that it satisfies our national pride. However, as long as we have not become a truly energy-saving country and have not learned to use wisely and responsibly each resource, then we cannot be called a completely revolutionary people. [applause]

Resources can be dilapidated. These are resources needed by the country. How much do they cost? What do other countries need? What kind of effort do they require? If we deplete them, can we call ourselves revolutionaries? No. We have acquired many virtues in these past years, but there are still more virtues to acquire. This is one of them.

What other conclusion must we draw from this forum? What must we learn from this? This policy concerning energy must be applied to all raw materials and all resources in the country. This is essential. I think that this question concerning energy must be made in regard to all our future development. The current times are not easy for any country. They are not easy for any of them. One must look at the world panorama to become aware of this. The current times are more difficult for developing and Third World countries. They have been very difficult for us, haven't they? Does the fact that we are a socialist country and that our ties with the socialist community have cleared our path better and offered certain prospects, mean that we must ignore these perspectives and the great possibilities available to us?

I don't want to make comparisons. I don't want to recall how the early years of the first socialist revolution passed. That was the time when there was nobody who could make a contribution. That was the time when that country was facing a complete blockade. Development had to be started under very difficult conditions and based on what they had. This occurred there and in other countries.

We've had the privilege of developing our revolution in an era, moment, and circumstance when it has been possible for us to count on great international cooperation. The question we must ask and the answer that history requires from us is: Have we done the best or achieved the optimum with these possibilities we have had? Have we been aware of this historical privilege? Or does the fact that this path has been easier for us make us negligent, unconcerned, and forget a little bit about our basic duties?

We were saying that we must economize all the country's resources. We must apply it to the steel used in machines, the wood used in construction, the cement, and all material resources. We have been doing something about it. Much has been done in the past few years. It still seems to us that it is still not enough.

As for raw materials, a few years ago, we succeeded in saving the equivalent of $19 million. This figure is now $60 million. We have tripled the activity in the recovery of raw materials. We have saved wood in construction. We have replaced lumber with fiberboard. Several measures have been taken in certain packaging activities. We have created bulk distribution, there have been paper savings, and many other activities could be cited. These things have been an effort to save raw materials. Work has been made in the recovery of spare parts. A considerable effort has been made in this regard. We have made a great effort in making new parts. But I think that this is not yet sufficient. I am not referring to the physical effort. I am not referring to the effort or whether we are using more or less energy in this. We must decide which is the most intelligent effort we must make, not only with regard to energy, but with regard to the entire economy as well.

One must periodically stop and analyze what one is doing. One must look to the future and decide what must be done. We have been made subject to difficult tests in recent times.

We have been aware of the international situation and the risks of aggressions that have hovered over our country in the past 4 years. In the past 4 years, we have made enormous efforts to strengthen the country's defense. We have made notable progress in this regard. I would say that this is our number one commitment because if our country is destroyed, we will no longer have one. If the enemy could take over our country, we would have no country in which to continue our work, implement our programs in all areas, and make our achievements.

In this effort we have cried out: attention, energy, resources, materials, and financial and human resources! There is no doubt that we are stronger now. Our potential adversaries must take this very much into account. Undoubtedly, they are increasingly taking this into account, especially after the Grenada incident. I believe that on 2 [December] we showed the intensity and the quality of the effort made by our people to become an impregnable fortress. We are aware that we are becoming an impregnable fortress and that we are already an impregnable fortress. [applause] Who knows how many times sronger we are now than we were 4 years ago. [applause] This does not only refer to the number of men and weapons, but to the extent of the development of the people's ideas, concepts, and preparation.

It was clearly stated that the two watchwords are production and defense. Our party did not forget production. It is remarkable that we have made important achievements in the production field in these part years, especially in these years of crisis when most countries' economies, especially the Latin American countries, had experienced a downward trend. Our economy however, as we explained in Cienguegos, has been growing consistently during this 5-year period.

These achievements, savings, and the increase in raw material have been secured in these past few years without a doubt. Since we are sure that we will win the country's defense battle, since we are sure that we live in an unconquerable and invincible country, and since we have earned for ourselves the right to peace, we also have to seriously and responsibly ask ourselves how are we going to face the future in these difficult days for the energy, raw materials, and economic sectors.

What have we achieved during these past years? During the past 25 years, our country has made extraordinary social advances. In the education sector we are ahead of all the Third World countries and we continue searching for quality. We don't have many resources, but we must do much in these fields.

We are ahead in education, in public health. There is no argument about that. In those two sectors we are even ahead of some industrialized countries. We are ahead of them and we continue searching for quality in personnel, we continue working to master the new techniques and there are excellent prospects for the near future. This applies to sports, culture, and our people's standard of living. There is no comparison at all between our situation and that of many Third World countries.

When we put together all the factors that figure in the standard of living, we also find that we are in a top position. The nutritional condition of our people cannot be compared with the situation that exists in other countries. When I spoke of consumer goods, home appliances, and so on, I mentioned some figures, for example, the construction material production that has been tripled and quadrupled in recent years to solve the housing problem.

This does not mean that we don't know about many other things, factors, and needs that must be resolved. But the truth is that in social development we are way ahead. In some social aspects we are way ahead of all the Third World countries and in other aspects we are at the same level or very near the top countries. This was made evident at the pediatrics congress and at the government and nongovernment women's meeting.

This is so because of the advancements that our country has made in the social field, in the struggle against discrimination against women, not only against discrimination in general. For technical reasons, we have not achieved all our goals in the struggle against discrimination against women and inequality, but we have advanced considerably.

We have also made considerable advances in the struggle against situations that strike capitalist societies and other Third World countries: begging, prostitution, gambling, drugs, and so forth. All this is part of the moral and spiritual factors that contribute to the happiness or disgrace of a nation. All this has been eliminated from Cuba. We don't have to dedicate our greatest efforts to produce changes there. This is clear. In our opinion, what we have to do in this field is to consolidate what we have achieved, to secure what we have achieved, and to create conditions to advance further.

I am convinced that for the next 15 or 16 years our main efforts must be made in the economic field. What we have been discussing is part of the effort we must make in the economic field. This is the point from which we should take the first step.

A second fact we must realize is that our country has had, in comparison with the other Third World countries, a privileged position, at a moment of crisis anyone can see and in the midst of the problems we can see in the heart of Latin American society, among our sister nations, including those that have many resources, those that export more than 1 million barrels of oil daily, those that with the work of 20 or 25,000 oil industry workers receive more than $10 billion annually. Countries with more natural resources, with more foreign exchange income than we, have very serious problems, unemployment, budget cuts, striking teachers and doctors, even unemployed teachers and doctors. Twelve, 15, 20, and even 30 percent of the population is unemployed. There are cuts in the public health budget, cuts in schools, cuts in social security. We have seen this even in the United States. In recent years we have seen this happening in capitalist developed countries.

One of the most important plagues they have, one from which they cannot find a way out, is growing unemployment. There is the problem of industrial transformations and they face huge social conflicts. We can see this throughout Latin America, these terrible social problems. We have a privileged situation. We must be aware of this. Our situation is due to our socialist system and to our relations with the socialist camp. [applause]

I will tell you frankly: The system alone would not have sufficed because when we begin with the situations prevailing in an undeveloped country, as was the case with Cuba, neither the revolution nor the system is sufficient. The system is extremely important because, according to it, the entire society has to work toward a single goal. In the system, man becomes the center of all concerns and activities of the state and the party, as well as of leaders.

Nevertheless, however important the system was, the existence of the socialist community was likewise important and decisive, as was the relationship that our socialist revolution set up with the rest of the socialist community. This is so because of the support we received, including our commercial exchange. I would like to know what would have happened to Cuba should the capitalist system and the 1958 situation have prevailed in the country. The price of sugar was 4 cents. This was the lowest price in the history of this country, in this century, and perhaps since sugar was discovered.

As you know, sugar quotas had been limited. The quantities that could be exported every year had been established at such an amount on the world market. What could the nation have done? The country had 3, no, 4 million tons of sugar and would have had to sell them at this price of 4 cents. Had there been a market for this sugar, things would have been different.

But there wasn't any. Part of this sugar was sold to the United States, part to this world market. What could we have gotten for it? Perhaps $400 or $500 million, for all the sugar we could export? Gentlemen, at international prices this country spends more than $500 million on fuel for electric energy production alone. That is to say, all the sugar that we could export could not suffice to pay for the necessary fuel to generate energy in the current world situation, particularly in Third World countries.

Still we would be lacking fuel for all the rest of our activities, transportation and cement production. We invested more than $2 billion in fuel alone for this production. Just imagine what would happen if our economy had to depend on (?sugar) exports at world market prices. We can experience so many other things along these same lines. We can have education, health and social security systems. We can have practically full employment and can carry out all our activities, as well as the country's development plans.

Well, we must realize that we have enjoyed and still enjoy a privileged position. We have plans for the future. We are taking full advantage of these possibilities with an eye on the future in a world whose problems we have tried to analyze today. This is another question.

There is still a third consideration. Our economic relations with the rest of the world are important for us to some extent. Commercial relations, technology, and raw materials are also improtant for our development to a certain extent. Over these years, we have acquired obligations in these fields when, for example, we encountered low production and sugar prices. We never decreased our imports of spare parts, raw materials, foodstuff, milk, and grains for the production of eggs, meat, etc. We never decreased our imports for our development plans because we had to build a glass-manufacturing plant. The supply of containers was not sufficient; we could not get them from socialist countries. We also required a paper-manufacturing plant; that was so costly, and we could not purchase it. We also required many other industrial facilities for the processing of raw materials. All this required investments.

We were granted credit and made commitments. Now we have to honor those pledges. This is not only an economic matter, it is also a moral issue. Our unconvertible foreign debt is relatively small as compared to that of the other Latin American countries. This foreign debt is about $300 per capita. That of Costa Rica is $2,000 per capita, about $4 billion for only 2 million inhabitants. That of Panama is about $2,000 per capita, that of Argentina, about $2,000; those of Mexico and Venezuela, about $1,500; that of Brazil, about $800. Some a little more, some a little less. Perhaps that of Colombia is a little smaller that $800, while ours is only $300 per capita.

When I analyze this situation, I see that many Third World countries will not be able to pay their debt. In fact, we think that very few countries will be able to pay their debt, and something will have to be done to solve this problem, by either inventing new formulas, or by postponing the payments. We are one of the few countries that can and must pay our debt. [applause] Now, there are economic and moral reasons for which the country's debt is very important. The country's moral status is also very important. We have relations with western companies, western banks, and also with some socialist banks. Part of this inconvertible debt is owed to socialist banks. These companies and banks trusted us, despite a U.S. blockade and pressures. They trusted us, and our country's seriousness, and therefore, we consider it a sacred duty to honor these commitments. This is clear. Furthermore, I think it is the best thing for our country's future. We should always bear in mind that the future is most important. [long applause]

Based on these three considerations, those of us in the party's directorate and in the government have been planning, on a strategic basis, our country's work for the next 15 or 17 years, including 1985. We must decide what we must do and how we should work, based on all these realities, and after all the enormous efforts we have made to strengthen our country, to guarantee our security, and independence. What should we do in the economic field? We have arrived at conclusions that, in my opinion, are correct and wise. How can we take advantage of Cuba's privileged situation in order to do our work? How can we take advantage of these possibilities, despite the extremely serious problems in the world today?

We can mention the tragedy affecting entire continents, such as Africa, affected by drought and famine. We also realize that a large part of the world lives without real and objective hope, and with such enormous debts that they do not know what to do. They live in a capitalized and industrialized world, increasingly selfish, with more restrictions, and many problems for which they cannot find any solution, such as the unemployment problem I mentioned before. Despite slight advancements, they have great fears that the crisis could repeat itself, perhaps more acutely.

What should we do under these circumstances? We belong to a socialist community which, of course, also has problems. We should not idealize and say that everything is marvelous and perfect. No, the socialist community is facing difficulties and problems. There is a tremendous difference between the perspectives and the situation of capitalism and those of the socialist community. The socialist community has been affected by the increase in the price of raw materials, equipment, the high cost of energy in the world, and the international economic crisis. The socialist community made investments based on plans for exporting to Western countries, but these markets have practically disappeared.

The socialist countries also have debts, and a large part of these debts are affected by the high interest rates. However, there is a profound difference between the two sides, and the socialist countries have been able to overcome these difficulties, and have continued with their development and future plans. How have they reinforced their ties and trade exchange? Undoubtedly, the socialist field offers an unlimited market for products, because these countries work for the population, to solve their problems, to improve their living standards. The socialist community has also analyzed these problems, and is preparing itself for the future, in order to overcome any difeciencies, update technological knowledge in some fields, conduct investigations and promptly take advantage of the results of scientific investigations for economic development. No socialist country has had to face the problems of unemployment, or has had to lower the population's living standards, or sacrifice their social development plans. Their economies have grown in the past few years, and they continue moving forward.

All the socialist countries, particularly the GDR, have adapted themselves to the energy crisis by saving a considerable amount of fuel. These countries have shared their experience with us, and have managed to make radical savings in this field.

However, taking into consideration the Third World's chaotic economic situation and that of the capitalist world with its highs, lows and periodic crises, the only area in the world that has a clear, sure, and steady future -- be it at a fast or slow pace -- is the socialist world, without any arguments. [applause]

We have the privilege of belonging to this area. As a nation that has developed the least, as compared to most of these countries, this position means a lot to us. I repeat: We have been analyzing what we must do with an eye to the future and starting from these opportunities. First, we must stress the country's production effort. We must give absolute priority to two things in our investment program. Bear in mind that we mean absolute priority. We mean all of those investments that save imports or generate exports in conversion areas.

There are numerous plants under construction. Many of them save imports because they either make optical lenses or save raw materials, as is the case in a Santa Cruz del Norte paper manufacturing plant. Dozens of investments either save convertible imports or generate exports. The effect is the same and it is even easier to save imports. There are dozens of plants with small investments -- real funnels that prove indispensable to starting production in enterprises that either save imports or generate convertible exports.

This is important. Of all the CEMA countries, today Cuba is the nation where the lowest percentage of imports originates in conversion areas. This percentage has been reduced to 15 percent, while it was 13 percent during 1983. We have an important, steady commercial exchange with socialist countries amounting to 85 percent or more. Yet, that 13 percent or 15 percent is important because it deals with raw materials, spare parts, some foodstuffs, medicines, and raw materials for medicines that are indispensable to complementing production.

Sometimes, we have raw materials from the socialist countries but lack the other raw materials that we require from Western countries. In addition, we must take into consideration certain invisible expenses and our foreign debt that must be paid in convertible currency. We have satisfactorily renegotiated our foreign debt. The nation's prestige was not diminished because of this renegotiation. We might even say our prestige increased because other nations began to fall in arrears on the payment of their principal, as it is called, then the interest. There are many nations in arrears that have not been able to pay even the interest. When other nations tried to ascertain their foreign debt, they could not because their private debt was to be added to their public debt. Their immediate problem was to try to determine and consolidate this debt, particularly the amount. We keep exact records of our foreign debt.

We have been able to renegotiate our foreign debt without terms being imposed by the IMF. We have renegotiated our foreign debt under satisfactory terms and the country's prestige has soared. We also require these exports, not only for our indispensable imports, but as payment for our unconvertible foreign debt. In addition, and looking toward the future, perhaps 15 percent of Western world imports will not be enough. We must consider the possibility of increasing this to 17 percent or even 20 percent in the future. We and the workers in all plants know what is necessary to manufacture this or that article. This raw material problem comes up at all meetings. Everyone knows -- the Council of Ministers and enterprises -- which raw materials they require. When we decide to reduce (?prices), it is through severe restrictions.

Perhaps, we will need additional resources in the future for our development plans. We have a solution to this -- the only one: We must increase exports in the convertible area by at least $500 million in the coming years. We must increase exports or revenue one way or another. Construction projects abroad generate revenues, as do exports and fishing production.

We have analyzed all measures that must be adopted so that in a relatively short period of time we may increase exports by $500 million. This will be done without including sugar, since the price of this product is sometimes calculated at 8 [currency not specified] but is at 6 or could be calculated at 8 and go up to 10. It is practically impossible to calculate exactly.

We must diversify exports and increase them at least by $500 million per year. Well, from the studies we have made on the measures that could be adopted we have reached the conclusion that not only could we increase exports by $500 million, but we could double this figure to $1 billion in exports.

In the convertible area there are more than 100 new products being exported: however, this calls for an extra effort and the product quality must also compete in this production. Yet, it is necessary -- and I will say something more. Savings become income and currently every gallon of fuel oil [preceding two words in English] we save represents 63 cents in income; every gallon of gasoline represents 67 cents in income; every gallon of diesel represents 69 cents in income. Why? Because, due to an agreement with the USSR any savings in the amount of fuel pledged becomes convertible exchange. [applause] That is, the savings we spoke of have become income in convertible currency. Cuba and the USSR have already agreed on the delivery of fuel from 1986 to 1990. All of this fuel that we can save becomes convertible exchange. [applause] I have already given you the current prices for every gallon we save. If we waste a gallon, we are wasting so many cents. When you see someone wasting a ton of gasoline they are throwing away $236 per ton and this is why we speak of gallons and grams. This is very important because it is something that can help us. As we increase oil production I believe that we can save because this beomes convertible exchange. This is very important. What we can save from the waste pulp and what we use to substitute for the waste pulp -- substitute oil for waste pulp -- becomes convertible exchange. I believe this information was important at the energy forum. It is very important. This helps us with our programs to increase exports and we have real possibilities; however, we must work in that direction. All of the people must work in that direction.

Until now, the world has had an import mentality. I need this, I need that; I lack this, I lack that; I want this and that equipment or machinery; I want this and that computer or scientific equipment. No one ever said I will give this or I will produce this to export. We have been accustomed to requesting imports; every time we face a problem we want to resolve it with imports; every time we find ourselves faced with some need we want to resolve it with imports. At times, we create necessities that generate imports and we hardly ever think of the other side of this: generate products to export; generate exports.

Therefore, it is essential and we have been working toward this; we must not lose a single minute. We have been putting forth efforts but now we must do this with much more awareness, efficiency, and wisdom, and the investment plan must be an absolute priority. I repeat: The investments that generate imports must be substituted for investments that generate exports in the convertible area. It has already been said that all investments are a number one priority.

There is a second matter which is also a maximum priority. This has nothing to do with the productions that generate exports in the convertible area; it is a second matter that is of maximum priority and that is sacred for us. These are the exports intended for the socialist area. The attention given to productions for the socialist area and the investments that generate exports for the socialist area are also sacred. This must be made very clear.

As I said, we have excellent relations and exchanges with the socialist area. The products we export to the socialist area are worth much more. With these products we purchase the fuel, those 2 billion [currency not specified] are to purchase fuel, raw materials, machinery, and food. This is why we have an unavoidable obligation to them, a tremendous moral obligation that represents strict compliance with the commitments for the delivery of merchandise we have to the socialist countries, [applause], the delivery of sugar, nickel, citrus products, and the other merchandise we send to the socialist countries.

For example, there have been times when we have had to face diseases such as rust and we were not able to keep up our deliveries of sugar to the USSR that year or for 5 years following, but we received all the merchandise they had promised for those 5 years.

This has never failed. It could be that we failed with some other kind of product, with citrus products for example, yet they have kept up their deliveries to us. It is a matter of a country's honor, a country's responsibility, and we want to fulfill our obligations and maintain those ties with the socialist community, and we must fulfill our commitments to deliver.

At certain times we have experienced a drop in production because of one reason or another; at times we estimated a production of 5 to 8 million tons but the actual production was only 2; at times we reduced a delivery to the socialist area to sell to the convertible area. This system has to be totally eradicated. [applause]

If we are hit with a bad year, if it rains too much -- unfortunately, this has happened twice in the past 2 years -- and the production is lower than estimated, the solution must not be to tell the socialists that we are going to send them less sugar and turn around and export it to the convertible area for 4, 5 or 6 cents. If faced with such a situation we must say, we will meet our commitments with the socialist countries and the surplus can be exported to the convertible area. It is simply a principle we must establish and for this reason other sources of convertible income must be sought. For example, today the price of sugar is much too low, the price of lobster is very high, the price of shrimp is high, the income received from tourism grows, and I will not mention here all the possibilities we are studying but we have reached the conclusion that we can increase exports, the policy must be to increase those exports and not sacrifice the socialist countries. It would not be a revolutionary attitude to do any different. It would not be the attitude of an internationalist, would not be proper of socialists and communists. [applause]

Therefore, investments for exports to the socialist area must also be priority. We have the Punta Gorda nickel plant that will produce 30,000 tons of nickel. Lately we have been putting forth great efforts in this area and we must continue to do so. We plan to inaugurate the plant this year which is already 83 percent completed, on 7 November 1985, that is, next year. This 30,000-ton nickel plant is a product of great importance to the socialist countries. It is a basic raw material that allows them to improve the quality of steel, machinery; it is a highly appreciated product among the socialist countries. It is our responsibility to work hard to put this plant into operation as soon as possible.

A second nickel plant is under construction. This plant will also supply 30,000 tons. It is being built with CEMA cooperation. We have already begun to build this plant and we must speed up the work as we must speed up the installation of sugar mills and other industries that generate exports for the socialist countries. I feel that this increases the respect the socialist countries have for Cuba and it increases Cuba's prestige among the socialist countries; not like those younger brothers who when faced with a problem say, I will not send you the sugar or the nickel because I have to export it to the convertible market because I was faced with this or that problem. We must protect this and I say that Cuba's prestige is strong in the socialist community and respect for Cuba is strong in the socialist community. [applause]

This has been demonstrated with facts; it was demonstrated at the CEMA meeting attended by the heads of government.

We have discussed short-term merchandise delivery with practically all of the socialist countries until the 1990's. We have signed cooperation plans until the year 2000 with the Soviet Union. You can picture the tremendous possibilities this means for the country -- a cooperation plan that will last until the year 2000, including all facilities.

Sometimes, Westerners ask whether we owe the Soviet Union money. Yes, we do. Our first debt is one of gratitude, a big one. [applause] It is true that we have experienced a financial imbalance with them many times and still have been granted credits. Yet, we have never experienced financial difficulties with the Soviet Union. Some years ago, the Soviet Union granted a delay in the payment of our debt for many years and eliminated the payment of interest. Imagine, interest rates sometimes run as high as 14 or 15 percent. Yet, the Soviet Union granted us a delay in our payment schedule more than once. We don't have any financial problems with the Soviet Union.

The debts that have resulted from the imbalance, as well as credits, have not affected us in the least. Whenever we have asked for extending credit, we have received it and payment has been delayed for 5, 10, or even 15 years without interest. There is a difference between the socialist community and private Western banks. The Soviet Union has been exceptionally friendly toward us. They have even adopted a more respectful and favorable stance toward us because they see our efforts. [applause] I am sure that oil producers in Siberia, where it is 20 or even 30 degrees below zero, will feel much happier knowing their efforts help us. If they learn that we have been saving the last possible drop of oil and that we don't squander it, they feel happy because they see that the (?results) of their effort are quite beneficial for our country, people, and development. This is clear.

When workers are waiting for nickel in a steel plant, they know that they can count on that nickel because they have already seen sugar in a refinery and fruit that is to be distributed among the population. In winter, a Soviet citizen appreciates a Cuban grapefruit the most, just as we do Bulgarian apples. This has been demonstrated. [applause]

Therefore, we have all of the facilities, and credits for all investments have been guaranteed. This represents several billions of rubles every 2 weeks for the oil refinery, the electronuclear plant, future plants, the thermoelectric plant we are building in the east, the supertanker port, the Antillian steel plant, and all of the other plants that we build with aid from the USSR. Everything has been considered and ensured: cooperation until the year 2000 and excellent trade conditions. I don't entertain the slightest doubt that the Soviet Union will continue its development at a sure, steady pace. We can't tell what they will have in 15 years.

Now, let's talk about gas. In 15 years, they will be able to produce more than a trillion cubic meters of gas, just to mention an example. In other areas, the Soviet Union and other socialist countries have continued to make steady progress and we benefit from this. This is realy a privilege for us as an underdeveloped country. However, having the privilege is not enough. We must know how to use this privilege and this possibility correctly. [applause]

Although these investments have received their due priority treatment, there are others that we cannot neglect. Can we neglect and subtract resources from this industry that will mean a savings of 2.4 million tons of fuel? No. The nation's basic industries must receive our full attention through investments. This industry requires priority treatment and it will receive it. Social investments, which have a most direct bearing on the population, must also receive priority treatment. Here is an example. At the Julian Soler Hospital, a surgical room for children's cardiovascular surgery is being built. This is critical because this facility can save the lives of hundreds of children every year. Its importance is tremendous, not because this center can treat 400 or 500 children, but because the children treated can be from any one of the millions of Cuban families. All sectors have an interest in this. For instance, we can mention investments such as research centers that are of great importance for the country's future, a technological school being built for oil workers, technological faculties, even the medical sciences that belong to the future. It is unquestionable that this kind of work be sacrificed. Priorities must be maintained.

It has been said that we must do so many things and that we have many other needs. Once we have fulfilled all of these priorities, we will determine which of the many other things we must and can pay attention to. This means that we must relinquish all subjectivity.

Every day we want many things for our people in the capital, in the provinces, in the municipalities. We want things for them. We want to have palaces for pioneers in all of the municipalities, and we want to have other things. Therefore, perhaps for now, we will settle for some very modest, adapted installations.

What we cannot do is make these things compete with an industry that saves imports or generates exports that yield foreign exchange or guarantee the fulfillment of export commitments to the socialist countries and other things, or guarantee our vital needs which are not forgotten. We must not lack the cement, lumber, steel bars, gravel, or sand for this investment, mainly in the capital, where we need much more labor and materials.

We are building 600 projects. Of these 600 projects, we must see which have priority and see to it that none of them is delayed 1 minute due to a lack of materials or labor.

Imports for export must have priority, too. We are working under this criteria. At first, we said that we have had an enormous social development. In truth, we would like to have 10 more meters of fabric per capita, or 20 meters per capita. However, this is not our concern now.

Our problem is development. Our problem is the future. We cannot mortgage our future for 10 square meters of fabric. [applause] We must make the Desembarco del Granma factory produce at maximum capacity. It was facing difficulties because it lacked some parts for maintenance and some raw materials from the convertible market. We must make it produce at maximum capacity either because it saves fabrics that come from a convertible area or because we export all of its products. Therefore, without hesitation [we must see] how many raw materials or parts are lacking, how much fabric it is going to produce for export, and export all fabric from the Desembarco del Granma factory. [applause]

The same thing applies to other industries. There is some equipment for the book printing industry pending installation. This takes time. Other equipment has already been installed. Sometimes they do not operate at full capacity becuase we lack paper.

We know what our book needs are; they are substantial. Approximately 50 million books such as textbooks, university texts, and specialty books are indispensable. Some are indispensable technical and literary works. We may have the capacity for 80 million books. We must know how to say: Well, we must become accustomed to and adapt to the idea of having 50 million books for 5, 10, or 15 years. Of course, all of us would like to have more books and, therefore, the more paper the more books to read. We must use the libraries and other means more, but know how to freeze them at a point. If we make 80 or 100 million books, we would export 30 or 50 million books. We must know how to do this. If we go on anxiously hoping to reach 80 million or 100 million books, there will be more imports and expenses and fewer exports each time.

Fortunately, we have made extraordinary progress in the social, education, and health fields. We will continue to advance. Our teachers will be better each year. Year after year we will have thousands of graduates holding bachelor degrees in primary school education and thousands of female professors. We will continue to graduate teachers as well as improve their teaching quality. Years ago when there was an explosion of primary and secondary school age children, we built all of the schools the country needed. Now, we must build factories in the same way that we built schools [applause]

As for public health, we have achieved great progress and will continue to make extraordinary progress. We will continue to train more and better specialists, and more and even better physicians. We will continue to improve our preventive and therapeutic medicine.

We will build installations as they are needed. However, today we must think of building factories just as we were determined to build hospitals. In doing this we will not sacrifice the health sector; we will continue working to improve health care and will acquire new technology with a small portion of our resources. In fact, the achievements made us feel at ease because our good health is ensured. We will have better health as time goes by and in the year 2000 we will probably be healthier than any other country. New physicians and hopefully better clinics, better programs, and medical school classes do not consume foreign exchange.

We can train better athletes in our sports installations and schools, and we can obtain more efficiency from the thousands of physical education and sports professors. That does not consume foreign exchange. Some people will say that the foil and saber cost foreign exchange, but someone said that foils and sabers will be produced in Cuba. [applause] Our social achievements afford us the opportunity to fully tackle problems that very few countries have been able to solve.

We will work using those criteria, those priorities looking to the year 2000. Oh, I believe that we will prepare, first we will move ahead in a world that is really in chaos. There are dozens and dozens of countries, including some that have more mineral and energy resources than Cuba, that are having very serious problems and do not know what to do. The capitalist world is having serious problems, although not quite as serious as the problems the Third World countries are having, because the capitalists have better ways of defending themselves technologically, financially, and otherwise. Yet the capitalist countries do not know what to do.

The thing to do is to guarantee the economic and production base for exports to obtain foreign exchange that is convertible in the socialist area, as well as to meet our other needs. Thus, we guarantee the future; we guarantee the acquisition of merchandise and raw materials that we cannot produce here and we guarantee development.

We are working intensively on the basis of these criteria and ideas, and we can say that we are making all kinds of investments. The 1985 plan has incorporated these criteria. This is something all the workers should know because we discussed the plans at length with them. These criteria must be incorporated into all the plans for every industry. These criteria must be incorporated into all the investments.

Yes, we will accomplish that in such a way that no worker will be adversely affected. We will work so that if production is reduced in one area, the worker will not be hurt. That is our duty. We must make all the necessary readjustments and strategic efforts without hurting anyone. Perhaps these readjustments may dampen our expectations; perhaps some problem that we had intended to solve by 1987 will take until 1990; perhaps some things that we had planned to work out by 1990 will have to wait until 1995, or 2000 or until 2005 -- 2 or 3 more years, that is not important. The basic thing is to guarantee the future.

We are aware of, we are not oblivious to, the fact that we need everything, housing for example. We will not abandon that goal. More than 150,000 houses have been built through personal initiative. We will try to maintain and to complete housing programs, especially in areas where housing has an impact on production, such as Moas, Cienfuegos, and Santa Cruz del Norte, that is, in production areas.

We will have to wait to solve the housing problem, to wait for a period longer than we expected. Perhaps we had planned to solve it in the year 2000, perhaps it will take until 2005. Right now, the revolution has just enacted a housing law -- a housing bill -- which will be debated at the National Assembly. The law will benefit all the families that own houses. That is, the law that was enacted during the first years of the revolution affected homeowners, who were the proprietors. In this case, the law affects that state. Yet it will not go bankrupt. It is true that we will receive very little income from the low rents, from all the fees. I do not think that the state will be hurt, but we have set the guidelines so that everybody can have a house, protect it, and care for it.

Housing is not a means of production. The founders of socialism have always known this. It is not a factory. It is a benefit, a benfit to the population. In no way does this go against the principles of Marxism-Leninism. To the contrary, it enhances them. In our present circumstances, that law is perfect, because [words indistinct] it is a liberal law. Liberal in what way? It is the law. We have authorized, or rather, we seek to authorize the renting of a room or two. That would help to solve our present problems. When a citizen is able to own an apartment, he will no longer be living in a rented room. It is a temporary solution to a temporary need. It is not a business. The people will regulate all this.

Then, we will be able to say to the capitalists that are in Cuba, housing is not a business. In Cuba, no one profits from housing, neither private persons nor the state. The construction of housing is a social service. If an apartment is worth 7,000 pesos, that is what the citizen will pay for that apartment. It will be like putting money in a bank. Of course, there will be a modest interest rate, but there is no profitmaking spirit in the construction of housing in our country. The objective is to recover what is spent in order to continue to build, and this law will help the housing development programs. The housing programs will continue to develop on their own. However, we cannot give housing priority over production that generates exports for the country. That is basic. As a matter of fact, housing always involves the expenditure of a little bit of convertible foreign exchange. We have to continue to establish industrial installations that produce all the items required for housing that we formerly imported.

We have increased our production capacity of cement from 700,000 tons to 5 million tons. Now we handle it very carefully, essentially using the dry process method of production. In the last 4 years, we have reduced the expense of fuel per ton of cement from 0.17 tons to 0.2 [unit not specified], by doing better work. We have increased our capacity to produce cement to almost 5 million tons, the production capacity of bathroom fixtures has increased to tens of thousands a year, the production of steel bars has increased, so, too, has the production of tiles, and pipes for construction. However, we still need more. We have to continue developing this industry to manufacture the products that we have to import to build houses. We have to use our work force rationally. This is what I wanted to explain to you, our workers, our people as basic viewpoints of what we are planning and what we are doing. All these ideas are linked to a greater economic efficiency, to apply methods to direct the economy, with emulation, and with incentive. It does not mean we will renounce any of the advances that we have achieved so far. It simply means that we should make an optimum effort, an optimum use of our resources, our organization, our plans and our programs. It simply means that we must make an optimum effort, looking to the future. We have earned the right to conquer that future. Through our heroism, courage, and steadfastness of our people we have earned the right to conquer the future. [applause]

Inasmuch as we have earned that right, we must know how to conquer the future. [applause]

We must make the most of these brilliant possibilities. This has been the best place to achieve that, this has been the most opportune time, here where we have discussed at length how to save a gram of oil, how to introduce technologies to the people, how to convey that ideal to the people. Precisely here in this already historic forum, it seemed to me that this was the time not only to talk about energy and conserving energy; about materials and conserving materials; about human resources and the optimum use of human resources; and not only about energy and conserving energy, but also to talk about the effort we must make in the next 15 or 16 years, the country's strategic effort. This is also the time for you energy experts who have debated and worked so hard towards that goal, to become the leaders in the revolution's future economic strategy, the leaders on the road to a safe future which we have earned through our revolutionary spirit, conscience, and heroism. Fatherland or death! We will win!

THREE COOPERATION DOCUMENTS SIGNED WITH ZAMBIA

FL070155 Havana Domestic Service in Spanish 2230 GMT 6 Dec 84

[Text] Three important documents which strengthen Cuban-Zambian relations have been signed in Havana. Representing our country was Francisco Garcia Valls, president of the State Committee for Finance and Henry Meebelo, Zambia's minister of national planning and development. The cooperation between the two countries will be in the areas of public health, agriculture, and sports.

ALMEIDA ADDRESSES MOA WORKERS CELEBRATION

FL061326 Havana Domestic Service in Spanish 1100 GMT 6 Dec 84

[Text] The party and the people are proud of our construction workers, true soldiers in the struggle for the economic development of the nation. These words were spoken in Moa by Commander of the Revolution Juan Almeida Bosque, member of the party Politburo. Almeida spoke to more than 25,000 persons assembled in the square located at the entrance to the Ernesto Che Guevara nickel plant, Punta Gorda, where the main national celebration of Construction Workers Day was held.

Pedro Fernandez, Central Committee member and secretary general of the National Construction Workers Union, expressed the support of construction workers for Commander in Chief Fidel Castro's speech closing the First National Energy Forum.

Almeida transmitted a congratulatory message to all construction workers, adding that up to October 1984 the construction sector plan had been 101 percent fulfilled, which is the equivalent of 18 percent growth over the preceding year. In the name of Fidel, the party, the government, and the people, Almeida congratulated the Moa construction workers for having earned the right to host the national celebration and for the feats of work they carried out during the special work day called Red October.

'OUR AMERICA' ON U.S. INTENTIONS IN NICARAGUA

PA061801 Havana International Service in Spanish 2310 GMT 5 Dec 84

["Our America" commentary]

[Text] Recently, U.S. Secretary of State George Shultz reiterated in Washington that Nicaragua continues to be a serious problem for U.S. security.

His words have been repeated by Yankee leaders for a long time. This statement would not be surprising at all in Washington's usual language had it not been for the fact that, today more than ever, the Sandinist revolution is threatened by the direct military intervention of U.S. Marines.

The White House propaganda regarding the situation in Central America, particularly in Nicaragua, is aimed at confusing international opinion and concealing the United States' real plans for the region.

A few hours before Shultz made his declarations, in which he did not dismiss an eventual invasion against the Sandinist revolution, Defense Secretary Caspar Weinberger asserted that the United States had no plans to invade Nicaragua. As we have said, this apparent discrepancy has no other purpose than to confuse public opinion and, particularly, deceive the U.S. people, who oppose a second Vietnam.

President Ronald Reagan's policy leaves no doubt regarding his plans for Central America despite the sweet propaganda that presents him as a champion for democracy and liberty. Facts daily confirm the United States' real plans against Nicaragua. Washington has launched an important operation against Nicaragua, which includes invasion.

So far, the White House has been testing its strength as the popular saying goes, first with all kinds of pressures and blackmail, then with economic aggression, and finally, with counterrevolutionary groups that operate from Honduras and Costa Rica, organized in regional commands. To this, we have to add the fact that Honduras has been turned into a permanent military base that, according to Pentagon plans, will play a logistical support role for the invasion against Nicaragua. The United States maintains more than 14 landing strips, thousands of soldiers, and a large quantity of war equipment in Honduran territory, ready to go into action.

What is even worse, the Pentagon strategists have already drafted plans for the advance of the U.S. Army in Nicaragua, including the estimated number of U.S. casualties during the invasion. According to their plans, this invasion will allow them to occupy Nicaragua in only 6 weeks. Similarly, studies made by the Pentagon and the State Department have considered the measures to be taken in order to maintain the occupation, create a provisional government, and impose a so-called representative democracy in the country.

There is still more. THE WASHINGTON POST disclosed that there exists a plan aimed at trying to diminish international reaction against a U.S. invasion against Nicaragua and convince the U.S. people and the relatives of the Yankee soldiers killed in action of the importance of this action. These measures are but a detailed apology of liberty and democracy, U.S. style.

Nevertheless, the U.S. war strategists overlook a vital factor. They do not take into consideration the Nicaraguan people's moral and revolutionary convictions. It has been said that the Yankee army would occupy Nicaragua in 6 weeks, but 6 years would not suffice to conquer this country, where all the people would carry out a popular war. The United States cannot even imagine the material and human cost of such an effort. As happened to the United States in Vietnam, Washington would be so bogged down that it would have to retreat defeated in the long run. The United STates would never emerge victorious and the anti-U.S. feeling would be even stronger in all of our America.

DEL VALLE BEGINS WEEK-LONG VISIT TO BERLIN

For East Berlin and Havana media reportage of the visit to the German Democratic Republic by Dr Sergio del Valle, minister of public health, see the GDR section of the 6 December Eastern Europe DAILY REPORT and subsequent issues.

BAHAMAS

PINDLING PRESENTS BUDGET, UNVEILS TAX INCREASES

FL061924 Nassau THE TRIBUNE in English 28 Nov 84 p 1

[By Athena Damianos]

[Text] Prime Minister Lynden Pindling today announced a new round of what he called "modest" tax increases as he unveiled his $486-million budget for 1985 in the House of Assembly.

The opposition walked out of the chamber as the prime minister began reading his budget communication because they felt he did not have the "moral authority" to do so. They returned only after he had wound up his address.

The prime minister proposed a 2 and 1/2 per cent increase on most imports and a five cent tax increase for every gallon of gas. He introduced new landing fees and other user rates at the airport and foreshadowed higher hospital fees. The tax on gross insurance premiums, which was introduced one year ago, will be implemented. Sir Lynden also foreshadowed legislation for amendments to the Companies and Stamp Acts to reduce the rates to their old levels, as well as other reductions.

Sir Lynden said that these "modest" measures are expected to yield $25 million in 1985. He said that "since no one particular sector could justifiably regard these measures as inequitable or even costly, it is expected that there would be no appreciable increase in the price index in 1985 as a result of these measures."

Sir Lynden pegged the estimated recurrent expenditure for 1985 at $421.8 million or approximately 24 per cent over the approved estimates for 1985 with $65 million allocated for capital works.

Some of the major expenditure components of the 1985 budget are:

Public debt-servicing, $105.24 million or 25 per cent of the total.
Education, $71.4 million (17 per cent).
Health, $57.02 million (13.5 per cent).
Police, $28.9 (7 per cent)
Tourism, $26.6 million (6.3 per cent).

The $105.24 million allocated for servicing the public debt is approximately $40 million over the amount allocated last year. This is believed to be the largest amount ever allocated to service the national debt. The 1984 allocation was $65.5 million, only $6.8 million more than the previous year.

And while Sir Kynden doubled the duty on firearms, the police department's allocation will be increased by slightly more than $5 million over the 1984 figure of $23.3 million. The police force is critically short of vital crime fighting equipment.

The amount allocated to education is about $10 million above last year; health, nearly $11 million more; and $1.6 million more goes to the Ministry of Tourism.

"Mr Speaker, as of today the cumbersome fractions which inundated the Second Schedule of the Tariff Act have been eliminated and the basic rate across all items have been raised by two-and-a-half per cent. This means that the 32-and-a-half per cent becomes 35 per cent, the 12 per cent becomes 15 per cent and so on," Sir Lynden said.

Items in sections one and two of the schedule relating to foodstuffs which are consumed by low-income and other families, and items which were adjusted upwards recently or those which were reduced last year, such as TV sets and radios, will be exempted from the increase. The duty "on certain items peculiar to the housing section," namely lumber, plywood, abestos and asphalt shingles, will be reduced.

"While the duty on automobiles would remain the same, I am increasing the tax on gasoline by five cents per gallon. The proceeds from this increase are intended to defray the cost of a continuous road construction and repair programme by means of a revolving fund to be established specifically for that purpose," Sir Lynden said.

Sir Lynden said that $65 million has been earmarked for capital works in 1985. In order to ensure that the projects in the budget are completed in the allocated time span, Sir Lynden has prepared a resolution seeking Parliament's authorization to obtain the capital financing by way of registered stock issued very early in the year. He said that in this way, adequate funding would be available in a timely fashion to ensure continuity of the projects throughout 1985.

The lion's share of the capital budget is earmarked for the Ministry of Works and projects related to the housing sector.

Sir Lynden pointed out that 60 per cent of the entire recurrent budget is appropriated in personal emoluments to more than 14,000 public officers. He said that the cumulative effect of the increases over the three-year period is $53 million.

GRENADA

BLAIZE REJECTS ACCUSATIONS OF ELECTORAL FRAUD

FL061616 Bridgetown CANA in English 1536 GMT 6 Dec 84

[Text] St George's, Grenada, Dec 6, CANA -- Grenada's new prime minister, Herbert Blaize, says the conduct of Monday's general election was beyond reproach and has dismissed allegations by two parties of fraudulent practices.

Leader of the Grenada United Labour Party (GULP) ex-Prime Minister Eric Gairy and Kendrick Radix, who heads the left-wing Maurice Bishop Patriotic Movement (MBPM), both alleged that a specially-treated paper was used for the ballots which were secretly marked pro-New National Party (NNP) and there were omissions from the voters list.

The NNP captured 14 of the 15 seats and 58.6 per cent of the 40,953 votes cast. The GULP won the lone non-NNP seat and says it will not accept it because the election was rigged.

Blaize, the 66-year-old former chief minister, told a news conference: We invited through the governor-general outside observation. We invited the United Nations, Organisation of American States (OAS), the Commonwealth Secretariat...other international organisations. The United Nations did not care to send a representative body because they are still hostile to the situation that caused America and our friendly Caribbean countries to come to our rescue. But the Organisation of American States did send a delegation, and I understand the British Government, notwithstanding the Commonwealth Secretariat, did send a diplomatic delegation, and Canada did send a delegation...And they have seen for themselves that the conduct of the elections over the last day was such that there were no grounds for reproach, Blaize said.

PERU

FINAL STAND IN AIR CONFLICT WITH U.S. AWAITED

PY061745 Lima Cadena Panamericana Television in Spanish 0300 GMT 6 Dec 84

[Text] Another interministerial commission has been created to negotiate the commercial air transportation agreement with the United States. The commission must make known Peru's final position within 1 week. This was reported today by Transportation Minister Francisco Aramayo after briefing the Air Transportation Commission of the Chamber of Deputies.

[Begin Aramayo recording] As no agreement has yet been reached, the Peruvian Government is making another attempt to reach a national decision in order to convey it to the U.S. Government. To this end, an interministerial commission is already working on the matter. The commission, which is headed by the Foreign Ministry and made up of the Transportation, Aeronautics, Industry and Tourism, and Labor Ministries, will conclude its work within 1 week, that is, at the beginning of next week.

A new negotiating commission will be appointed immediately after the interministerial commission adopts a final position. I say a new commission, because other negotiating commissions have been appointed in Peru in the past. This new negotiating commission will, on behalf of the Peruvian Government, sit down at a negotiating table with the U.S.-appointed negotiating commission to seek a solution to the problem. [end recording]

VENEZUELA

LUSINCHI DISCUSSES U.S. TIES AT WHITE HOUSE

PA060124 Caracas Radio Rumbos Network in Spanish 2100 GMT 4 Dec 84

[Text] I represent one of the most solid democracies in Latin America and I come from a country where the pluralistic democratic system is an irreversible experience. This statement is part of the speech delivered less than a half hour ago at the White House in Washington by Venezuelan President Jaime Lusinchi.

The head of state expressed his satisfaction with the friendly invitation from U.S. President Ronald Reagan, and reiterated his willingness to begin a sincere, frank, and friendly dialogue. The Venezuelan president's words in the gardens of the White House were brief but precise. Among other things, he said that for Venezuelans there is no valid alternative for democracy. His statements gained importance as he spoke on 4 December, exactly 1 year after the Venezuelan presidential elections. A recorded excerpt of President Lusinchi's speech, which was carried by a national radio network and highly praised by all political sectors in Venezuela, follows:

[Begin recording] Mr President, I come with an open heart and mind, and without prejudice of any kind convinced of the solidarity and justice of our ideals to begin with you a dialogue which I hope will contribute to consolidating the traditional friendly relations between Venezuela and the United States. I wish to thank you on behalf of my retinue and myself for the cordial greetings which permit us to foresee a positive exchange of ideas and experiences between us. [end recording]

Following Lusinchi's address, the two heads of state held a private meeting.